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September 26-30, 1958



(This number is composed of two sections, of which this is Section 2)



MSMS Ninety-Third Annual Session—1958

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3. Repeal of State of Principles covering Blue Shield Contract (Bates)	20	62 no action
4. Alphabetical listing of members	20	48 amended and approved
5. Termination of sale of Blue Shield's M-75 Contract (Miller)	20	62 no action
6. Medical representation when management-labor negotiate medical services	20	43 disapproved
7. Fee Committees shall work under The Council	20	51 amended and approved
8. No distinction in payment between non-participating and participating physicians in Blue Shield	20	62 substitute resolution approved
9. Sponsorship of Association of American Physicians and Surgeons Essay Contest	21	47 amended and approved
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30. Bylaws (Chapter 5, Section 6) re clarification of Life Membership qualifications	53	55 amended and approved
31. Bylaws (Chapter 12, Section 1) re term of Councilors	53	55 disapproved; study committee recommended
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MSMS House of Delegates—1958

Summary of Proceedings

The Ninety-third Annual Session of the Michigan State Medical Society's House of Delegates was held in Detroit, September 28-30, 1958.

The House of Delegates:

1. *Adopted with thanks the Speaker's remarks;* the President's remarks; the President-Elect's remarks; the report of Delegates to the American Medical Association; the report of Woman's Auxiliary to Michigan State Medical Society; the report of the Michigan State Medical Assistants Society; and the Michigan Medical Service report.
2. *Approved the Annual Reports of The Council* including recommendations (a) to erect a new MSMS headquarters building; (b) to institute a group life insurance plan for MSMS members; and (c) urging members to voluntarily contribute to the American Medical Education Foundation. The Annual and Supplemental Reports of Committees of The Council were approved.
3. *Adopted Annual Reports of two House of Delegates Committees:* (a) Permanent Advisory Committee on Fees; and (b) Committee on Committees.
4. *Adopted Annual Reports of all Standing Committees and of all Special Committees of the Society.*
5. *Approved the Annual and Supplemental Annual Reports of the Medical Care Insurance Committee,* as well as the report of the special Auditing Committee on Seal of Assurance which indicated that the total number of participating contracts in force was 3,913.

The Medical Care Insurance Committee, charged with the responsibility of implementing the Statement of Principles on Prepaid Medical Care adopted by the 1957 House of Delegates, recommended the endorsement of the new Michigan Medical Service contract (M-75) as complying in every detail with the MSMS Statement of Principles, which recommendation was approved by the 1958 House of Delegates. Following is an extract from the MCIC Annual Report: "To assure a closer liaison between practicing physicians, Michigan State Medical Society, and the carrier (Blue Shield), MCIC has developed the work and responsibilities of Councilor District Medical Care Insurance Committees as directed by the Statement of Principles. These local committees have been appointed by The Council and their activity during the coming year will be co-ordinated with the work of the MSMS Medical Care Insurance Committee. By this and other means, a continuing review of the Seal of Assurance Plan will be made and a direct line of communication established from the individual Doctor of Medicine to the MCIC, the Permanent Advisory Committee on Fees, and The Council." The Delegates are to be informed quarterly of the progress made by the mechanism set up and in operation for the instrumentation of the program.

The MCIC was directed to develop the Michigan Relative Value Scale. The MCIC recommended that presentations of its Supplemental Report (published *in toto* in December Number, JMSMS), illustrated

by slides, be made available to all component societies.

On the subject of payment of non-participating physicians: the House of Delegates adopted a substitute motion which stated:

"That recompense for services rendered to a patient under Michigan Medical Service contracts continue to be the same, whether the physician is participating or non-participating. The participating physician will be paid directly by Michigan Medical Service. The non-participating physician will also be paid by Michigan Medical Service upon obtaining an assignment from his patient.

"That because the problem of direct payment to non-participating physicians for services rendered to subscribers involves complex questions of law and equally complex questions pertaining to the honoring of existing contracts and contract offerings by Michigan Medical Service, a complete study of alternate methods of payment for services rendered by non-participating physicians be undertaken by the Medical Care Insurance Committee in conjunction with Legal Counsel for MSMS, and that such study be diligently pursued; and that as soon as the Committee is able to submit its findings based upon such study, its findings and recommendations shall be submitted to the next regular or a special meeting of the House of Delegates called for that purpose."

The House of Delegates requested the governing body of Michigan Medical Service, and of any other approved carrier, that lists of participating physicians shall not be published or otherwise disseminated. The House of Delegates adopted a resolution that the problem of the care of mental illness as a benefit under Michigan Medical Service and Michigan Hospital Service contracts be called to the attention of the Board of Directors of MMS and MHS for their careful consideration.

The Permanent Advisory Committee on Fees (of the House of Delegates) was instructed to work with The Council when the House was not in session, and all decisions of The Council regarding fees are to be reported to the Permanent Advisory Committee on Fees. Further, all minutes of proceedings of all committees dealing with fees and fee schedules are to be referred to and made available to the Permanent Advisory Committee on Fees promptly.

6. *Adopted resolutions concerning:* (a) fund raising—approved federated or otherwise; (b) alphabetical listing of members; (c) no objection to sponsorship of AAPS essay contest; (d) poll of members on Social Security; (e) distribution of free polio vaccine to medically indigent; (f) proposed legislation for control of medical staff in public hospitals; (g) creating study committee on alcoholism; (h) no House of Delegates meeting to be held on Sunday, unless necessary; (i) proposed law to regulate operation of ambulances; (j) greater interest in diabetes detection; (k) resolutions expressing appreciation to retiring AMA Delegate W. H. Huron, M.D., Iron Mountain, to retiring Councilor J. F. Beer, M.D., St. Clair, and to Michigan Office of Civil Defense Director Ralph M. Sheehan and his staff.
7. *Took favorable action on proposal to amend the Bylaws (Chapter 5, Section 6) clarifying Life Membership qualifications.*

SUMMARY OF PROCEEDINGS

8. *Took no action* on the following proposals: (a) Two-thirds membership vote shall constitute favorable referendum of MSMS; (b) repeal of Statement of Principles covering Blue Shield contract; (c) termination of sale of Blue Shield M-75 contract; (d) suspension of sale of Blue Shield M-75 contract; (e) rules of conduct for physicians in closed panel practice; (f) re-affirming Statement of Principles of 1957 House of Delegates.
9. *Disapproved* the following resolutions: re (a) medical representation when management-labor negotiate medical services; (b) study of method to allot proportional units when medical service is provided by more than one physician; (c) responsibility for treatment of diabetes mellitus; (d) one full day for reference committee meetings of House of Delegates; (e) proposed amendment to Bylaws, Chapter 16, Section 1, re date of suspension for non-payment of dues; (f) proposed amendment to Bylaws, Chapter 5, Sections 4 and 6, re Special Memberships; (g) proposed amendments to Bylaws, Chapter 12, Section 1, re term of Councilors—a study committee on this subject was recommended. The sponsor of a resolution recommending that members of Blue Shield Board of Directors be representative of MSMS Councilor Districts was referred to Michigan Medical Service.
10. *Elected the following officers:*
 - (a) G. N. Hoyt, M.D., Port Huron, as Councilor, 7th District, (1962).
 - (b) W. M. LeFevre, M.D., Muskegon, as Councilor, 11th District, (1963).
 - (c) B. T. Montgomery, M.D., Sault Ste. Marie, as Councilor, 12th District, (1963).
 - (d) T. P. Wickliffe, M.D., Calumet, as Councilor, 13th District, (1963).
 - (e) W. W. Babcock, M.D., Detroit, as Councilor, 17th District, (1963).
 - (f) R. L. Novy, M.D., (1960), W. D. Barrett, M.D., (1960) both of Detroit, and G. W. Slagle, M.D., (1960), Battle Creek, as Delegates to the American Medical Association.
 - (g) Luther R. Leader, M.D., Detroit, (1960); Wm. Bromme, M.D., Detroit, (1960), and Ralph W. Shook, M.D., Kalamazoo, (1960), as Alternate Delegates to the American Medical Association.
 - (h) Milton A. Darling, M.D., Detroit, as President-Elect.
 - (i) K. H. Johnson, M.D., Lansing, as Speaker of the House of Delegates.
 - (j) J. J. Lighthead, M.D., Detroit, as Vice-Speaker of the House of Delegates.
11. *Elected Fred J. Drolett, M.D., Lansing, as Michigan's Foremost Family Physician for 1958.*
12. (a) *Selected R. W. Pomeroy, M.D., Lansing, as Michigan's nominee for President's Award on Employment of Physically Handicapped.*
(b) *Presented Fifty-Year Awards to:*
William J. Cassidy, M.D., Detroit; Wayne A. Cochran, M.D., Jackson; Fred H. Cole, M.D., Detroit; Clayton J. Ettinger, M.D., Detroit; Samuel Glassman, M.D., Detroit; Bernard H. Glenn, M.D., Fowlerville; Lloyd W. Howe, M.D., Marquette; Mark Marshall, M.D., Ann Arbor; J. Earl McIntyre, M.D., Lansing; Harriet E. McLane, M.D., Detroit; Daniel J. O'Brien, M.D., Lapeer; J. M. Robb, M.D., Detroit; Susanne M. Sanderson, M.D., Detroit; Leal K. Slote, M.D., St. Joseph; Andrew L. Swinton, M.D., Marquette; Henry L. Ulbrich, M.D., Grosse Pointe Woods; and Paul Van Riper, M.D., Champion.
13. *Elected to Special Memberships:*
 - (a) *Forty-two members to Life Membership*—Alpena County: Harry J. Burkholder, M.D.; Genesee County: Arthur C. Blakeley, M.D., Leon M. Bogart, M.D., Guy D. Briggs, M.D., Edwin G. Dimond, M.D., Roy A. McGarry, M.D., Ira D. Odle, M.D., William W. Stevenson, M.D., George D. Sutton, M.D., Grant Thorburn, M.D., Inga W. Werness, M.D.; Jackson County: Corwin S. Clarke, M.D., W. B. Huntley, M.D.; Kent County: Jacob D. Mulder, M.D.; Muskegon County: Martha Goltz, M.D., Vilda S. Laurin, M.D.; Northern Michigan Counties: James R. Stringham, M.D.; St. Clair County: T. H. Cooper, M.D.; Shiawassee County: Carleton A. Harkness, M.D.; Washtenaw County: Margaret Bell, M.D.; Wayne County: Mary B. Campbell, M.D., James A. J. Hall, M.D., Frederik E. Hansen, M.D., Arthur B. Henderson, M.D., Thomas G. Amos, M.D., Glenn B. Carpenter, M.D., Lona B. Carroll, M.D., Albert E. Catherwood, M.D., Thomas P. Clifford, M.D., Margarete W. Coleman, M.D., L. C. M. Conley, M.D., Harry F. Dibble, M.D., Raymond S. Goux, M.D., Leo E. Grajewski, M.D., Robert I. Greenridge, M.D., Daniel J. Leit-houser, M.D., Leon E. Pangburn, M.D., Alvord R. Sanderson, M.D., Ward F. Seeley, M.D., F. Janney Smith, M.D., Viola M. Young, M.D.; Wexford County: W. J. Smith, M.D.
 - (b) *Fifteen members to Retired Membership*—Bay County: Walter S. Stinson, M.D.; Ingham County: Robert S. Breakey, M.D.; Saginaw County: E. G. Schaiberger, M.D.; Muskegon County: A. W. Mulligan, M.D.; Wayne County: Harvey S. Broderson, M.D., Schuyler O. Cotton, M.D., Hugo O. Dietzel, M.D., Arthur L. Higbee, M.D., Hartmann A. Lichtwardt, M.D., Walter E. McGillicuddy, M.D., John McKinnon, M.D., Julius Michels, M.D., Charles W. Peabody, M.D., Loren W. Shaffer, M.D., and Alexander M. Stirling, M.D.
 - (c) *Twenty-two to Associate Membership*—Oakland County: Dorothy M. Goerner, M.D., Edwin S. Peeke, M.D.; Saginaw County: Raymond W. Dowidat, M.D., Robert D. Rector, M.D., James G. Kidd, M.D., Randall S. Derifield, M.D., Russell E. Pleune, M.D.; Wayne County: Dorothy Caton, M.D., Daniel Donovan, M.D., L. E. Kamin, M.D., Harry Kirschbaum, M.D., Frances L. Mac Cracken, M.D., Louis J. Morand, M.D., Harold Ohrt, M.D., Eugene Secord, M.D., Gerald Shortz, M.D., Mary Stelhorn, M.D., Carl G. Weltman, M.D., Leslie Wilcox, M.D., Abraham R. Lincoln, M.D., Vincent Mancuso, M.D.; Muskegon County: E. V. Williams, M.D.

Michigan State Medical Society

Ninety-Third Annual Session

DIGEST OF PROCEEDINGS OF THE HOUSE OF DELEGATES

SUNDAY EVENING SESSION

September 28, 1958

The Ninety-Third Annual Session of the House of Delegates of the Michigan State Medical Society, held at the Sheraton-Cadillac Hotel, Detroit, Michigan, on September 28-30, 1958, convened at 8:10 p.m., Kenneth H. Johnson, M.D., Speaker of the House, presiding.

I. RECORD OF ATTENDANCE

K. H. Johnson, M.D., Speaker
J. J. Lightbody, M.D., Vice Speaker
L. Fernald Foster, M.D., Secretary
Members-at-Large
(Immediate Past President)
Arch Walls, M.D.
(Honorary Member)
A. Verne Wenger, M.D.

County and Delegate	Meetings					
	1st	2nd	3rd	4th	5th	6th
ALLEGAN L. F. Brown, M.D.	x	x	x	x	x	x
ALPENA-ALCONA-PRESQUE ISLE E. S. Parmenter, M.D.	x	x	x	x	x	x
BARRY A. B. Gwinn, M.D.	x	x	x	x	x	x
BAY-ARENAC-IOSCO A. D. Allen, M.D. D. A. Bowman, M.D.	x	x	x	x	x	x
BERRIEN N. J. Hershey, M.D. D. W. Thorup, M.D.	x	x	x	x	x	x
BRANCH R. J. Fraser, M.D.	x	x	x	x	x	x
CALHOUN H. C. Hansen, M.D. G. T. Kelleher, M.D.	x	x	x	x	x	x
CASS S. L. Loupee	x	x	x	x	x	x
CHIPPEWA-MACKINAC W. F. Mertaugh, M.D.	x	x	x	x	x	x
CLINTON F. W. Smith, M.D.	x	x	x	x	x	x
DELTA-SCHOOLCRAFT J. R. Dehlin, M.D.	x	x	x	x	x	x
DICKINSON-IRON D. R. Smith, M.D.	x	x	x	x	x	x
EATON B. P. Brown, M.D.	x	x	x	x	x	x
GENESEE G. E. Anthony, M.D. F. W. Ruske, M.D. W. F. Buchanan, M.D. C. W. Colwell, M.D. F. D. Johnson, M.D. J. E. Wentworth, M.D.	x	x	x	x	x	x
GOGEBIC W. A. Gingrich, M.D.	x	x	x	x	x	x
GRAND TRAVERSE-LEELANAU-BENZIE F. H. Power, M.D.	x	x	x	x	x	x
GRATIOT-ISABELLA-CLARE E. G. Meyers, M.D.	x	x	x	x	x	x
HILLSDALE A. W. Strom, M.D.	x	x	x	x	x	x
HOUGHTON-BARAGA-KEWEENAW P. S. Sloan, M.D.	x	x	x	x	x	x

County and Delegate	1st	2nd	3rd	4th	5th	6th
HURON C. W. Oakes, M.D.	x	x	x	x	x	x
INGHAM L. A. Drolett, M.D. H. W. Harris, M.D. K. W. Toothaker, M.D. F. L. Troost, M.D. J. M. Wellman, M.D.	x	x	x	x	x	x
IONIA-MONTCALM R. E. Campbell, M.D. R. E. Rice, M.D.	x	x	—	—	—	—
JACKSON H. W. Porter, M.D. J. W. Rice, M.D.	x	x	x	x	x	x
KALAMAZOO W. K. Locklin, M.D. J. G. Malone, M.D. F. C. Ryan, M.D. W. A. Scott, M.D.	x	x	x	x	x	—
KENT F. S. Allenito, M.D. W. C. Beets, M.D. J. R. Brink, M.D. J. A. Ferguson, M.D. J. D. Miller, M.D. V. A. Notter, M.D. R. A. Rasmussen, M.D. A. R. Vanden Berg, M.D.	x	x	x	x	x	x
LAPER H. B. Zemmer, M.D.	x	x	x	x	x	—
LENAWEE G. C. Wilson, M.D.	x	x	x	x	x	—
LIVINGSTON H. C. Hill, M.D.	x	x	x	x	x	x
LUCE T. W. Thompson, M.D.	—	x	x	x	—	x
MACOMB E. J. Dudzinski, M.D. E. G. Siegfried, M.D.	x	x	x	—	x	x
MANISTEE R. R. Garneau, M.D.	x	x	x	x	x	—
MARQUETTE-ALGER A. S. Narotzky, M.D.	x	x	x	x	x	x
MASON H. G. Bacon, M.D.	Not represented					
MECOSTA-OSCEOLA-LAKE Paul Iskovich, M.D.	x	x	x	x	x	x
MENOMINEE J. R. Heidenreich, M.D.	x	x	x	x	x	x
MIDLAND H. L. Gordon, M.D.	x	x	x	x	x	x
MONROE S. N. Kelso, Jr., M.D.	x	x	x	x	x	x
MUSKEGON D. R. Boyd, M.D. H. C. Tellman, M.D.	x	x	x	x	x	—
NEWAYGO J. P. Klein, M.D.	x	x	—	x	x	x
NORTH CENTRAL L. F. Hayes, M.D.	x	x	x	x	x	x
NORTHERN MICHIGAN Gerald Drake, M.D.	x	x	x	x	x	x
OAKLAND E. W. Bauer, M.D. C. G. Burke, M.D. H. A. Furlong, M.D. M. A. Haanes, M.D. P. T. Lahti, M.D. G. N. Petroff, M.D. W. J. Zimmerman, M.D.	x	x	x	x	x	x

DIGEST OF PROCEEDINGS, HOUSE OF DELEGATES

County and Delegate	1st	2nd	3rd	4th	5th	6th
OCEANA						
W. G. Robinson, M. D.						Not represented
ONTONAGON						
W. F. Strong, M.D.	x	x	x	x	x	-
OTTAWA						
Otto van der Velde, M.D.	x	x	x	x	x	x
SAGINAW						
J. P. Markey, M.D.	x	x	x	x	x	x
D. V. Sargent, M.D.	x	x	x	x	x	x
A. C. Stander, M.D.	x	x	x	x	x	x
ST. CLAIR						
John J. Coury, M.D.	x	x	x	-	-	-
K. W. Yost, M.D.	-	-	-	x	x	x
ST. JOSEPH						
S. A. Fiegel, M.D.	x	x	x	x	x	x
SANILAC						
K. T. McGunagle, M.D.	x	x	x	x	x	x
SHIAWASSEE						
C. L. Weston, M.D.	x	x	x	x	x	x
TUSCOLA						
L. L. Savage, M.D.	x	x	x	x	x	x
VAN BUREN						
F. J. Loomis, M.D.	x	x	x	x	x	x
WASHTENAW						
G. H. Bauer, M.D.	x	x	x	x	x	x
O. K. Engelke, M.D.	x	x	x	x	x	-
H. F. Falls, M.D.	x	x	x	x	x	x
R. W. Teed, M.D.	x	x	x	x	x	x
V. M. Zerbi, M.D.	x	x	x	x	x	x
WAYNE						
Sidney Adler, M.D.	x	x	x	x	x	-
W. W. Babcock, M.D.	x	x	x	x	x	x
L. J. Bailey, M.D.	x	x	x	x	x	x
G. S. Bates, M.D.	x	x	x	x	x	x
J. B. Blodgett, M.D.	x	x	x	x	x	x
W. L. Brosius, M.D.	x	x	x	x	x	x
D. A. Cameron, M.D.	x	x	x	x	x	x
C. L. Candler, M.D.	x	x	x	x	x	x
W. S. Carpenter, M.D.	x	x	x	x	x	x
R. R. Cooper, M.D.	x	x	x	x	x	x
R. T. Costello, M.D.	x	x	x	x	x	x
J. C. Danforth, M.D.	x	x	x	x	x	x
M. A. Darling, M.D.	x	x	x	x	x	-
H. F. Dibble, M.D.	x	x	x	x	x	-
L. S. Fallis, M.D.	x	x	x	-	-	x
H. B. Fenech, M.D.	x	x	x	x	x	x
E. H. Fenton, M.D.	x	x	x	x	x	x
R. F. Fenton, M.D.	x	x	x	x	x	x
G. S. Fisher, M.D.	x	x	x	x	x	x
H. M. Fuller, M.D.	x	x	x	x	x	x
J. D. Fryfole, M.D.	x	x	x	-	x	x
P. C. Gittins, M.D.	x	x	x	x	x	x
B. M. Hamil, M.D.	x	x	x	x	x	x
C. K. Hasley, M.D.	x	x	x	x	x	x
Joseph Hickey, M.D.	x	x	x	x	x	x
Louis Jaffe, M.D.	x	x	x	x	x	x
J. A. Kasper, M.D.	x	-	x	x	x	x
E. G. Kries, M.D.	x	x	x	x	x	x
E. H. Lauppe, M.D.	x	x	x	x	x	-
L. R. Leader, M.D.	x	x	x	x	x	-
M. L. Lichter, M.D.	x	x	x	x	-	x
R. L. Novy, M.D.	x	x	x	x	x	x
E. A. Osus, M.D.	x	x	x	x	x	x
C. I. Owen, M.D.	x	x	x	x	x	x
A. F. Palmer, M.D.	x	x	x	x	x	x
R. H. Pino, M.D.	x	x	x	x	x	x
A. E. Price, M.D.	x	x	x	x	x	-
W. S. Reveno, M.D.	x	x	x	x	x	-
F. P. Rhoades, M.D.	x	x	x	x	x	x
A. D. Ruedemann, Sr., M.D.	x	x	x	x	x	x
C. W. Sellers, M.D.	x	x	x	x	x	-
W. L. Sherman, M.D.	x	x	x	x	x	x
D. I. Sugar, M.D.	x	x	x	-	x	x
D. N. Sweeney, M.D.	x	x	x	x	x	x
E. J. Tallant, M.D.	x	x	x	x	x	x
E. C. Texter, M.D.	x	x	x	x	x	x
R. V. Walker, M.D.	x	x	x	x	x	x
M. R. Weed, M.D.	x	x	x	x	x	x
J. A. Witter, M.D.	x	x	x	x	x	x
D. A. Young, M.D.	x	x	x	-	x	x
WEXFORD-MISSAUKEE						
R. V. Daugharty, M.D.	x	x	x	x	x	x

II. IN MEMORIAM

As the first order of business, the names of the delegates who have passed away since the last meeting were read:

Barry County

Robert B. Harkness, M.D., Hastings
(Delegate 1940)

Bay County

Relza Newton Sherman, M.D., Bay City
(Alternate delegate 1942-43-44)

Berrien County

Franklyn A. Rice, M.D., Niles
(Alternate delegate 1950-51)
(Delegate 1952-53)
(Alternate delegate 1954-55)

Chippewa County

Clayton Willison, M.D., Sault Ste. Marie
(Alternate delegate 1944-45-46-47)

Kalamazoo County

U. Sherman Gregg, M.D., Kalamazoo
(Alternate delegate 1943-44)

Lenawee County

A. S. Pasternacki, M.D., Adrian
(Alternate delegate 1947)

Menominee County

Henry T. Sethney, M.D., Menominee
(Delegate 1940-41-42-43-44)
(Alternate delegate 1946)

Wayne County

Claire L. Straith, M.D., Detroit
(Delegate 1957)

THE SPEAKER: In addition, fifty-two MSMS members have passed away since we last met. I should like to ask this House if it will please stand for a moment in silence. I would like to have you not only remember and honor these people who have died, but also each in your own way to pray for divine guidance for the success of this meeting.

(Silent standing prayer)

THE SPEAKER: I think it would be appropriate if I read a cablegram received from Copenhagen, Denmark, from W. A. Hyland, M.D.:

"All success to the MSMS House of Delegates in its deliberations on this 93rd anniversary. I am confident all questions will, by its wise and deliberate judgment, be resolved and MSMS will continue to lead the nation's state medical societies. Inasmuch as this is our second honeymoon, we cannot publicly report that we would prefer to be working in Detroit. However, Mrs. Hyland joins me in best wishes and says I'm doing all right."

We shall refer this to the Reference Committee on Officers' Reports.

III. SPEAKER'S REMARKS

By K. H. Johnson, M.D., Lansing

Each year since I have been a member of this House, there has appeared in the order of business a notation called "Remarks by the Speaker." In keeping with the very excellent training which I received from my predecessor, I have refrained from exercising my prerogative up to now. I can no longer restrain myself from this opportunity, since it is properly my last chance to speak. What I wish to say are my own thoughts, and have no relationship by design to any other remarks which may be made here today.

It has been a great privilege for me to have served as your Speaker. The greatest satisfaction has come from the chance to be associated with men who have been unselfish in their devotion to the principles of medicine.

I consider the members of this House as representative of this type. In spite of remarks I have heard to the contrary, I have never known this House of Delegates to vote an action because it was too tired or for any other reason than a belief that it was making the best decision from the facts at hand. I fiercely resent any suggestion that it has done otherwise. I am not unmindful that some of your decisions have been unpopular in certain quarters, but I sincerely attest to the fact that I believe each decision has been made on the merit of the proposition and not on an emotional basis.

It is only human, however, to find that sometimes under pressure a basic principle may be temporarily forgotten as we become embroiled in the urgencies of the question at hand. We physicians are still human and are no exceptions to this possibility. This is the reason I have chosen to speak at this time.

I believe there is only one criterion for the existence of the profession of medicine—how well does it serve the physical and emotional needs of people. The very word "profession" connotes a vow in the sense of a religious order or calling. There are very few physicians who considered any other motive than the opportunity to serve when they chose to study this art.

Historically and ethically, "service" has been the foundation which has built our profession. I am convinced that the day the amount of recompense received or the prestige attained becomes more important than the privilege to serve, that day marks the doom of the profession.

Of course there will be some alternative to take its place; in fact, there are many individuals and powerful groups who greatly prefer to see medicine relegated to the level of a glorified trade union or even to the status of a pawn to bureaucratic control. Our professional survival depends upon our giving the one thing that cannot be bought—service.

Nonetheless, we would be ridiculously stupid if we did not acknowledge that as a profession we are an intimate part of the socio-economic struggle. We cannot sit serenely content and watch the rest of the world go by and feel secure in our little world of make-believe. Further, we cannot hide behind the shield of a board, an academy or a society and thus be protected from what may happen to the profession itself. We shall survive or succumb together. There will be no chosen few.

The sooner this fact is accepted by every doctor of medicine, the sooner we shall cease all intraprofessional rivalry and get down to the business of protecting the profession and practice of medicine from all things which threaten its existence. We cannot, nor should we wish to, run away from the world of reality, but we can only take our rightful place in this world by being a united entity.

There are many inequities of circumstance in practice. There always have been, there always may be. It would take many brilliant minds to make all things equal. The fact of these inequities should not force us to sacrifice the basic reasons for our being a profession.

Inequities may be minimized or done away with by

democratic process, but to overthrow basic principles simply to balance these inequities will result in chaos and eventual sacrifice of all we hold sacred. The difficulties and disagreements in any plan or proposal which involves 6,000 individual physicians in any field of endeavor may be quickly acknowledged.

Constructive criticism or suggestion has always been welcomed in this House, but there is no place here for ignorantly conceived nor emotionally reactionary schemes which set group against group and thus risk defeat of the profession and its purpose.

There is no group, no matter how fine its motives, that has the right to take over the duly constituted authority of this House of Delegates. I am not unmindful that each of us has another loyalty or several loyalties to other groups within the broad scope of the profession. We, here, are required to make decisions on the broad base line of what is best for the majority of the doctors in this State, constantly keeping in mind that all decisions must be carefully weighed in the light of our basic principle—how well does it serve the needs of people.

May I be excused for being quite blunt as I summarize the purpose behind my words. This House can function properly only through the method of objective reasoning and logical decision. We must listen carefully to each and all facts presented. We must be able to separate fact from pure emotional appeal or reaction. We must arrive at an opinion and then be willing to back it up.

I do not pretend in any way to try to dictate the course we should follow. I do firmly believe that we can arrive at the will of the majority by proper attention to democratic procedure. Your presiding officers are here to assist you in this endeavor, nothing more and nothing less.

Therefore, let us accept the challenge which our presence here denotes, as the duly elected representatives of all the physicians of this State. I have not spoken to you in this fashion because I have any doubt of the ability of this House to do the job well, only to set the stage for the serious work ahead. (Applause)

These remarks will be referred to the Reference Committee on Officers' Reports.

IV. PRESIDENT'S REMARKS

By George W. Slagle, M.D., Battle Creek

Normally, as your outgoing President, I would content myself with the platitudes common to such occasions, and sit down. Perhaps that is what I should do tonight; but certainly I cannot leave this office without expressing to you my appreciation for what has been a truly tremendous experience.

I have been invited to every area of Michigan, and I have traveled to nearly every area of the State. The friends I have made and the experiences I have had will always be remembered. The responsibilities of the MSMS Presidency also require visits to other states, and it has been my privilege to meet with these other states in their state and national medical meetings. This travel has taken time, effort and personal expense, all of which I expected to give when I accepted this office. The returns have been manifold.

But one thing was common to every occasion, whether it was in a county medical society or the conclaves of the AMA in Washington, D. C., or in California. That common thing was a genuine respect and admiration for the Michigan State Medical Society. That feeling was so prevalent wherever I went that, if it hadn't been present, I would have been as surprised as one who sat down to a steak dinner and received no steak.

I have often asked myself what caused this universal commendation of my State Medical Society. I eliminated most answers. One stands out above the rest. I offer it now. The answer is you—and by "you" I mean the MSMS House of Delegates. "Michigan is always doing

things. Why?" The true answer invariably is, "The House of Delegates instructed it."

"Michigan has the best program on such-and-such." If you look up the answer, you will always find that the House of Delegates asked for it or approved it or provided funds for it.

My point is this: The MSMS House of Delegates is the combined voice of all the doctors of this State, and it has repeatedly led the way in the nation.

To my knowledge, the actions of this House have been invariably followed by other states, and you have never made a major mistake.

I say that holds true right up to the present moment. If I could put the message of every other state medical society and of the AMA to you in a single sentence, it would be: "Keep up the good work."

By saying these things I do not mean to diminish in any degree the luster that should and does belong to such men as Dr. Hyland, Chairman of the MSMS delegation to the AMA, and that delegation.

I could elaborate at length upon the high regard with which our Secretary, L. Fernald Foster, is universally held. And I would be remiss if I did not point to the confidence that our own members and the representatives of other states have in Bill Burns, our Executive Director, and Hugh Brenneman, our Public Relations Counsel.

In saying these things, I want you to know that I am only reporting, and I want to add my thanks to these people, to the Executive Committee of The Council, the individual Councilors, the MSMS committees, and the entire executive and secretarial staff for the very excellent work that they are doing in behalf of the medical profession.

Last year, in my talk as President-elect, I mentioned one project among others that I hoped could be forwarded during my term in office. This was the establishment of the Michigan Association of the Professions. You thought well of that idea, and the committee has followed through by instigating action whereby it is not unlikely that the professions of architecture, dentistry, engineering, law and medicine will soon have a working mechanism for cohesive action on matters of common interest. The recent survey of opinion of the medical profession, as well as the other professions, shows an overwhelming support for this project in each profession.

It is wonderful to know that within a reasonable time we will have a new home for the Michigan State Medical Society. You will hear more about that in a little while; but I think I should say that the days of work involved in finding the eminently suitable site by the Site Committee, and the work of the Big Look Committee in planning with our fine architect, will long be valued by the members of this Society.

Incidentally, yesterday it was my privilege to take part in the dedication of the Wayne County Medical Society's new building. It is a wonderful building, and I hope every one of you will have a chance to go through it. It is really built for service, and I am sure the members of the Wayne County Medical Society and the members of the Michigan State Medical Society (because they have been invited to participate in any of the Wayne County Medical Society's actions) will be served in the future by this wonderful David Whitney House.

I want to close with a tribute to the truly devoted work which has been done by the Medical Care Insurance Committee, headed by Dr. Max L. Lichter, and the Seal of Assurance Committee, headed by Dr. D. Bruce Wiley. You gave these Committees a job to do. They have done it handsomely.

The former committee of seven members has been in actual session a total of fifty-eight hours. This does not include travel time and time spent in preparation, which totals a great number of man-hours. The latter Committee undertook the almost impossible task of presenting your program to the membership in a fair and unequivocal fashion.

Despite the many new factors evolved by your Statement of Principles, which require a rather competent knowledge of insurance principles to completely understand, it has been heartwarming to me to see that the majority of members of our State Society have agreed to participate in these Principles with you, that actuaries have found the contracts based on these Principles to be sound, and that the public has welcomed the participation of the doctors by buying the contracts.

It is true that a small minority has strenuously opposed this plan. This group has not been exactly silent nor excessively modest in their disapproval. However, I do hope that with patience and thoughtful consideration you will obtain from them the particular points of the M-75 contract which they disparage.

Also, I hope that you will take steps to see that these points are carefully studied by the most adequate surveys and authorities available. Indeed, the Executive Committee of The Council, and The Council itself, have already asked that such research be carried on.

I hope that as time goes on and experience through use is gained, that through the mechanisms set up we can make necessary changes. These will make it possible for the public to be happy as they have been in the past with the fact that Blue Shield is indeed a shield against the cost of medical care—and for both the public and the profession serves as a shield against socialized medicine and other varieties of controls that would harm our patients and hurt our profession.

I am positive of one thing: Our membership does not want to lose Blue Shield.

In opening this conference, Dr. Johnson called for us to consider these matters without name-calling and personal innuendoes. I am sure his words were prompted by such letters as these:

"Dear Sir:

"Let's face it. This is not 'our' plan—it is one cooked up by a group of frightened old men at the behest of Walter Reuther. It is time we had a face-lifting of the so-called directors of the State Society, because you certainly don't represent us. Yours until a new election."

* * *

"Dear Doctor:

"I want to register a strong protest to utilizing the MSMS JOURNAL to sell insurance, as you have in the June 1958 issue. I never have been treated to the invective and veiled threats from anybody before that were contained in that issue.

"I have fought ever since entering the practice of medicine against socialization and the interposing of a third party in the practice of medicine, and I can tell you it will take more than the incredible articles and editorials in the MSMS JOURNAL to bow to labor and management and simply become fringe benefit No. 1001.

"You cannot tell me that anything in the 'Blues' plans is the unified thinking of the MSMS, because even with threats and cajolery you only passed the 50 per cent mark in signing up doctors last Friday. A good part of our skepticism is due to your steam-roller tactics. . . .

"Wipe us out as the Russians did Nagy, but you'll never have a clear conscience. Don't ever utter a public complaint against socialized medicine, because you'll choke on your own words."

Reports to come to you later will reveal the present status of the program and how The Council, the officers and the committees have been carrying out your instructions of a year ago. Be that as it may, I too urge upon you thoughtful consideration of all the resolutions brought before you.

You are men of good will. You have repeatedly

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demonstrated your progressive wisdom. I have no fear for the future, and I am sure that when I turn over this royal purple insignia to Dr. Saltonstall on Wednesday next, you will be giving with it the practical and sincere directives that have always characterized this forthright House of Delegates. (*Applause*)

THE SPEAKER: Thank you, Mr. President. This address will be referred to the Reference Committee on Officers' Reports.

V. PRESIDENT-ELECT'S REMARKS

By G. B. Saltonstall, M.D., Charlevoix

The Michigan State Medical Society is entering upon its ninety-fourth year. I am sure nothing I might say or do can keep it from continuing for another year, and next year about this time a new President-elect will be standing before you as I am, proud and happy at the honor accorded him, and filled with a desire to do the best he can to lead the State Society to ever greater accomplishments.

What I am saying is this: The Michigan State Medical Society is no one man nor group of men. It is an institution which has existed down through the years because there was a need for it, and because it met that need.

The need for the Michigan State Medical Society still exists. In a state which is as prone to dynamic change as is Michigan, in a period when the cross-currents of public opinion are in marked conflict, at a time when powerful pressure groups are exerting political, social and economic influences to a greater extent than ever before, it is obvious to even the most casual observer that the medical profession must be organized statewide as a single well-integrated unit, speaking with a powerful voice and acting with vigor and dispatch. To do otherwise means chaos. And with that chaos will come loss of the respect which our predecessors have gained for us, and the defeat of our efforts to give maximum medical care, advice and service to our patients.

I repeat: The need for the Michigan State Medical Society still exists—perhaps more so today than ever before.

Our task in the next few days, then, comes into sharp focus. We are here to work together to outline and adopt those policies and plans for the Michigan State Medical Society which will gain for all members of our profession maximum opportunity to serve their patients. In accomplishing this we must keep in mind three basic thoughts:

1. That every practicing doctor of medicine has a service to render and has people who need those services.
2. That it is a doctor's privilege to advise and care for his patients in accordance with his best judgment within the limits of his abilities.
3. That all the doctors in this State, through the democratic process, can arrive at joint action whereby medical service can be made fully available to those who cannot pay and, for those who can pay, at a price that is fair to doctor and patient for the service rendered.

These comments seem too basic to even be argued—but they are too often forgotten. They are overlooked most often when we lose broad perspective and replace it with tunnel vision, when we fail to see the broad picture and focus our thinking on a separate segment—whether that segment be medical, geographical or economic in nature. It is then, and only then, that we divide and turn on one another—and in the process weaken our total defense against those who are constantly trying to control us.

I have no fear that we will solve the economic problems that face us at this meeting. We have been elected, individually, under the democratic process so that we might exercise our own personal judgments to gain that

end among others. We would not have been chosen if our fellow members did not have confidence in our judgment and our capacity to exercise it in behalf of the total public and the total profession.

It is customary for the President-elect, as he is about to enter upon the Presidency, to point to the program and objectives which he hopes the Society might gain during his year in office. For my part, I hope we do not embark on any great new project this year. I would like to see this year be one where we catch up with ourselves, so to speak, and solidify the gains we have made.

We have embarked upon a path to improved service under our Blue Shield banner. It's a little thorny right now, but I would like to see this program improved and resolved and, most of all, understood.

As we have met our commitments, our obligations and our challenges over the past several years, our committee structure has grown to unwieldy proportions, and I would like to see it proportioned and patterned for greater efficiency.

We have started a movement toward greater cohesion of effort among the professions through the inauguration of the Michigan Association of the Professions. I would like to see this organized effort become firmly established and operating.

There are many areas, some of them minor, perhaps, where there is conflict of opinion between members of our profession, occasioned not by faulty or diverse judgment but by a paucity of facts. I believe we need studies and searching surveys to find those facts. I am sure all of us believe in the same basic principles of freedom to practice in accordance with proven concepts.

The cost of communication is rising, but I think this cost is unescapable, and I believe we should follow through on our well-considered plans to keep the public and the profession informed.

These are not dramatic things, but I guess I am more of a barbershop harmony than I am a soloist, and we can have harmony only when we work together. I have every confidence in our staff. They have proven themselves; and to say more about them, except through prohibitively time-consuming review, might have the effect of damning by faint praise.

In summary, I reiterate that as MSMS President in this ninety-fourth year I hope to see the great institution that the Michigan State Medical Society has become continue to be the single unit about which the medical profession of this State can rally. That, to keep it so, you in your own good judgment and with broad perspective adopt policies and programs that will permit all doctors of medicine to serve, within the limits of their judgment and abilities, all the people of this State and be reasonably remunerated for their efforts. And that, during the coming year, we consolidate our gains, obtain maximum understanding, and lay organizational and informational groundwork that will encourage continued growth in the future so that we may better serve the public good and promote the professional welfare.

To this end I pledge my administration. (*Applause*)

THE SPEAKER: Thank you, Dr. Saltonstall. This address will also be referred to the Reference Committee on Officers' Reports.

VI. REPORTS OF THE COUNCIL

By D. Bruce Wiley, M.D., Utica

The annual report of The Council is printed in the Handbook, beginning on page 51. The Council wishes to present the following supplemental report as of September 28, 1958—and we finished this session just a few minutes ago.

You may wish to follow along with the report of The Council so that you can see what changes there may be coincident with the supplemental report.

1. *Membership.*—On September 1, 1958, the membership of the Michigan State Medical Society totaled 6,381 as compared with the total of 6,400 at the same time last year.

2. *Finances.*—

FINANCIAL REPORT FOR PERIOD ENDING AUGUST 31, 1958

	On Hand 12/1/57	Income to 9/1/58	Expenses to 9/1/58	Balance on Hand 9/1/58
General Fund.....	\$133,962.62	\$160,177.95	\$109,094.09	\$185,046.48
Annual Session.....		26,882.50	4,822.70	22,059.80
Michigan Clinical Institute.....		13,080.00	15,740.77	2,660.77Cr.
THE JOURNAL.....		100,325.36	86,007.73	14,317.63
Public Education.....	40,765.04	34,934.56	36,657.70	39,041.90
Public Service.....	2,761.86	19,516.64	20,697.79	1,580.71
Professional Relations.....	4,423.70	29,285.82	28,799.04	4,910.48
Public Education Reserve.....	74,084.00	16,734.75		90,818.75
Rheumatic Fever Control.....	570.60Cr.	6,755.12	7,424.22	1,239.70Cr.
Surplus from Dues.....	53,614.34			53,614.34
Building Fund.....	16,983.53	11,149.27	3,193.56	24,939.24
MSMS Headquarters Fund.....	28,135.00	56,082.81		84,217.81
TOTALS.....	\$354,159.49	\$474,924.78	\$312,437.60	\$516,646.67

3. *Michigan Medical Service.*—An up-to-date report on this Corporation, including the finances, will be presented to you at the meeting of Michigan Medical Service membership on Tuesday, September 30 at 2 p.m. in the headquarters of Michigan Medical Service, 441 East Jefferson Street, Detroit. All MSMS delegates are members of Michigan Medical Service Corporation and are expected and urged to attend this important annual meeting, which will be preceded at 12:30 p.m. by a tour of the building, a reception and luncheon with the compliments of Michigan Medical Service.

High commendation of the Michigan State Medical Society goes to Michigan Medical Service for herculean efforts and successful labors in behalf of the medical profession in the Medicare and the Veterans Administration Home Town Medical Care programs.

4. *Michigan's Foremost Family Physician of 1958.*—Selection of one of our Michigan general practitioners as nominee for the American Medical Association Gold Medal Award is the privilege of the MSMS House of Delegates. According to established procedure, the field of nominees has been narrowed by The Council to three, from which the House of Delegates elects one. The three nominees are:

- (a) William P. Bope, M.D., Decatur
- (b) Fred J. Drolett, M.D., Lansing
- (c) Louis K. Peck, M.D., Barryton

5. *MSMS Health and Accident Insurance Program.*—The report to September 1, 1958, supplied by the carrier (Provident Life and Accident Insurance Company of Chattanooga, Tennessee) is as follows:

"Both participation and benefit payments are at an all-time high.

"Approximately one in each seven insured members has occasion to call upon his protection each year.

"While benefit payments are up, only one accidental death payment was made in the past year as compared to four in the previous year.

"For those who received benefits for claims of more than thirty days' duration, the average paid per claim last year was \$1,917.34.

"There were forty-two claims in process on September 1, 1958."

6. *New Home of the Michigan State Medical Society.*—As indicated in the Annual Report of The Council, the Committee on "Big Look" will submit up-to-the-minute plans on proposals for the new MSMS headquarters building. We invite the members of the House to listen attentively to the program outlined by Committee Chairman William S. Jones, M.D., and to study the scale model which will be displayed and explained by the architectural firm of Yamasaki, Leinweber & Associates.

7. *Group Life Insurance for MSMS Members.*—The Annual Report of the Committee on Study of Insurance Programs for MSMS Members is incorporated in these minutes (report No. 26). The favorable consideration of the House of Delegates to the Committee's recommendations concerning group life insurance for MSMS members is invited, to the end that MSMS can offer as an added benefit of membership a fine group life program tailored to the needs of Michigan's medical men.

8. *IBM History Cards of MSMS Membership.*—These have just been printed and will be sent soon to all members in a special mailing to insure a high percentage of return.

The Council has sent quantities of these history questionnaires to all component societies, to be used in connection with membership applications for all NEW members, with the request that each county society include this as part of its application for membership.

9. *Resignation of Councilor.*—Joseph F. Beer, M.D., Councilor of the Seventh District, has been forced to resign his post due to illness. The Council placed on its minutes a vote of high thanks to Dr. Beer for his progressive activity on behalf of the Society, and sincere wishes for a speedy recovery.

10. *Michigan Association of the Professions.*—This organization was first recommended by George W. Slagle, M.D., in his inaugural address to the House of Delegates in 1957. Following approval of Dr. Slagle's suggestion by the House of Delegates, The Council authorized action, in February, 1958, to form such an organization.

As a result, the following organizations have been contacted: The State Bar of Michigan; the Michigan Society of Professional Engineers; the Michigan State Dental Association, and the Michigan Society of Architects.

Each of these organizations appointed top-level committees for the purpose of establishing such an organization, to work out details of organization, and to study the possible services which such an organization might render.

The respective Boards of Directors are now being asked to accept membership in the MAP when it is formally established on November 23, 1958. In the meantime a survey is being conducted of the memberships of the respective professions of medicine, dentistry, architecture, engineering and law. Early returns from the survey indicate an overwhelming approval of such an organization on the part of the respective memberships of each of these professions.

11. *Medicare.*—The revised Medicare contract, effective April 1, 1958, includes cutbacks in services that render this program less valuable and effective to the recipients. Criticisms from these folks, most of it leveled against the medical profession, will undoubtedly result.

The Council, therefore, recommends that a resolution adopted by the South Dakota State Medical Association (see addenda) be supported by the AMA delegates from Michigan, and further that one MSMS delegate from Michigan be authorized to attend an AMA-sponsored meeting on this subject to be held in Minneapolis on December 1, 1958.

12. *Additional Annual Reports of Committees of The Council.*—Since July the following annual reports of Council committees have been submitted and are presented for consideration of the House of Delegates:

Report No. 25—Committee on Awards.—In 1958 the Awards Committee recommended that thirteen individuals be recognized and honored by the Michigan State Medical Society midway during the Michigan Clinical Institute when the medical profession traditionally pauses to salute those who have made contributions in the broad field of health.

At the testimonial luncheon scrolls were presented to the following: O. A. Brines, M.D., Detroit, President, International Society of Clinical Pathology; A. C. Furstenberg, M.D., Ann Arbor, Dean, University of Michigan Medical School; Edgar A. Kahn, M.D., Ann Arbor, President, Society of Neurological Surgeons; Joseph G. Molner, M.D., Detroit, author of a nationally syndicated medical column; Grover C. Penberthy, M.D., Detroit, Chairman, Selective Service in Michigan, and Paul Van Riper, M.D., Champion, Michigan's Foremost Family Physician for 1957.

In addition, William J. Burns, MSMS Executive Director, was recognized as an Honorary Member of MSMS, an honor accorded him by unanimous action of the 1957 MSMS House of Delegates. *The Battle Creek Enquirer and News* was saluted for sponsoring a series of public health forums. For co-operation in telecasting the 1957 public colorcast of live heart surgery, WWJ-TV was presented with a scroll of appreciation. Four State legislators were honored for their long-time support of health-welfare legislation in Michigan: Senator Lewis G. Christman, Representative Louis C. Cramton, Senator Haskell L. Nichols, and Representative Harry J. Phillips.

Report No. 26—Committee on Study of Insurance Program for MSMS Members.—Studies were made of (1) the desires of MSMS members for group life insurance under MSMS sponsorship, and of (2) all the possible varieties of such insurance that the MSMS could make available to its members.

As a result, the Committee recommended that a plan offered by the Mutual Benefit Life Insurance Company of New Jersey be approved and offered to the membership of MSMS. This plan consists of low-cost group renewable term life insurance which can be converted to any type of permanent life insurance without evidence of insurability. (See plan in addendum.)

Report No. 27—Committee on Blood Banks.—No problems have been forwarded to us. At the present time the blood banks of Michigan are undergoing a voluntary inspection program, under the auspices of the North Central District Blood Bank Clearinghouse. This eventually will be a national inspection program to improve the quality of blood banking and facilitate the exchange of blood.

Report No. 28—Supplemental Report of Public Relations Committee.—Although many items were reviewed by the Public Relations Committee at its meeting on August 17, 1958, only two items need particular mention at this time:

(a) That in view of the success of the exhibits at the Michigan State Fair and the Lansing Homerama and elsewhere, county medical societies be encouraged to exhibit at local fairs and meetings, with the aid and advice of the Michigan State Medical Society when desired.

(b) That the MSMS carry out research on matters of current interest to the medical profession in the field of medical economics, and that a part of the time of the secretary to the Medical Care Insurance Committee be made available to assist in making and correlating such research.

Report No. 29—Supplemental Report of Special Committee to Study Medical Malpractice Problems.—In the June 1958 JOURNAL (page 804) our report was printed in full. It would appear that certain actions are in order:

(a) Our two medical schools should be requested to review the recommendations and decide whether the suggestions made merit inclusion in the medical curriculum during the junior and senior years.

(b) The thirty prevention standards, as outlined, should be placed in the hands of each doctor of medicine when he joins his county medical society.

(c) Each hospital staff should review the prevention standards as a part of the intern and resident teaching program and should give each admission to the staff a copy of the above-mentioned standards.

(d) The Michigan State Medical Society should not consider entering the medical protective insurance field but encourage each physician to review his insurance needs as well as to concentrate on prevention.

Report No. 30—Medical Care Insurance Committee.—This Committee was charged with the responsibility of implementing the Statement of Principles on Prepaid Medical Care adopted by the House of Delegates in September, 1957.

Since then the Committee has averaged more than one meeting per month for extended sessions, during which representatives of various groups having special interests, individual doctors of medicine, officers of MSMS and Michigan Medical Service were of valuable assistance to the Committee in discharging its responsibility.

In meticulous detail the Committee scrutinized the new contract of Blue Shield as it developed. It also recommended necessary modifications in the California Relative Value Scale and established dollar unit values, both of which actions received the concurrence of the Permanent Advisory Committee on Fees.

The Committee recommended the endorsement of the new Michigan Medical Service contract as complying in every detail with the MSMS Statement of Principles.

To assure a closer liaison between practicing physicians, MSMS and the carrier (Blue Shield), this Committee has developed the work and responsibilities of Councilor District Medical Care Insurance Committees as directed by the Statement of Principles. These local Committees have been appointed by The Council, and their activity during the coming year will be co-ordinated with the work of the MSMS Medical Care Insurance Committee.

By this and other means, a continuing review of the Seal of Assurance Plan will be made, and a direct line of communication established from the individual doctor of medicine to this Committee, the permanent Advisory Committee on Fees, and The Council.

The Council, at its September 28, 1958, meeting, directed the Medical Care Insurance Committee to develop the Michigan Relative Value Scale.

Report No. 31—MSMS Liaison Study Committee on Hospital Staff Payments.—Committee held two meetings in recent months and considered the present practice of handling staff cases at Detroit Receiving Hospital, Wayne County General Hospital, Woman's Hospital and Harper Hospital, and three clinics. After full discussion of the over-all Michigan Medical Service problem of handling the present arrangement for payment of hospital staff cases, the following resolution was adopted:

"WHEREAS, attention of the Michigan State Medical Society has been invited to the problem of payment for medical and surgical services rendered by interns and residents, and

"WHEREAS, the medical profession has traditionally been opposed to payment of services so rendered, and

"WHEREAS, such payments can be construed as a definite threat to the private practice of medicine; therefore, be it

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"RESOLVED: That Michigan State Medical Society go on record as condemning as unethical practice the collection of, or the attempt to collect, fees for services rendered by interns and residents unless such services are rendered under direct supervision of and upon the responsibility of a staff member of a hospital having an American Medical Association approved training program, and which staff physician is also engaged in the active practice of medicine, and unless the fees so collected are devoted to furtherance of medical education and research; and be it further

"RESOLVED: That the Michigan State Medical Society implement this resolution through its own organization, and that it use its best efforts to further implement this resolution through the House of Delegates of the American Medical Association, the Council on Medical Education and Hospitals of the American Medical Association, the Joint Commission on Accreditation of Hospitals, and the governing boards of hospitals in Michigan."

Report No. 32—Committee on Vocational Rehabilitation.—During the past year your Committee met with representatives of the State Office of Vocational Rehabilitation for a discussion of Public Law 880 and of mutual problems in the medical phases of vocational rehabilitation.

One glaring inequitable procedure resulting from the new Old Age and Survivors Insurance Disability program (P.L. 880) is the following: The individual seeking aid must supply medical evidence, sufficient to make the diagnosis, at his own expense. If not available, this information must be secured from the family physician or hospital at no expense to the government. Subsequently, to check the original record the government may authorize consultative examinations, using the Uniform Fee Schedule for Governmental Agencies as the basis of cost.

The Committee felt this arrangement was definitely unjust to the family doctor, and decided to communicate with the AMA committee considering this subject, to protest the unfairness of this arrangement and to seek a possible remedy.

The Committee recommended that the 20-page booklet, "Disability and Social Security—Evaluation of Disability," be obtained from the Office of Vocational Rehabilitation and be distributed to all MSMS members.

In discussing rehabilitation training, the Committee recommended that, in sending a physician's medical records to consultants, the name of the family physician be deleted.

Topics for future discussion between the MSMS Committee and the Office of Vocational Rehabilitation are: (a) Role of the Office of Vocational Rehabilitation in treatment of disability prior to acceptance of the case by OVR. (b) Review district operations—local, medical consultants' activities, what is being accomplished, what is the proper goal, etc., and (c) Referral under Public Law 880 for Rehabilitation in OVR Districts.

13. *Seal of Assurance Program.*—A report on participation in the Seal of Assurance Program will be presented to the House of Delegates by the Chairman of a Special Audit Committee appointed by Speaker K. H. Johnson, M.D.

In addition, a report from the Chairman for Michigan of the American Medical Education Foundation, as presented to The Council on July 17-18, is submitted to the House of Delegates without recommendation (see addendum).

14. *Recommendations.*—We respectfully invite your attention to the two recommendations in the original Annual Report of The Council, printed in the Handbook on page 80. They read as follows:

1. That The Council be authorized to send MSMS representatives to Washington, D. C., in 1959 on the occasion of the Annual Michigan Day, as recommended by last year's House of Delegates.

2. That every member of the Michigan State Medical Society be urged to become affiliated with the Beaumont Memorial Foundation either as a Life Member (\$100) or a Sustaining Member (\$5 per annum).

The Council respectfully submits three additional recommendations:

3. That The Council be authorized to institute necessary research in the economic aspects of the practice of medicine as these factors pertain to administration of medical service and insurance programs.

4. That The Council be authorized to arrange councilor conferences prior to the Annual Session, to continue communication with and to impart information to the membership.

5. That The Council, having approved the architect's final preliminary plans for the new MSMS building, respectfully recommends their adoption by the House of Delegates.

Respectfully submitted by The Council:

D. BRUCE WILEY, M.D., *Chairman*
W. B. HARM, M.D., *Vice Chairman*
A. E. SCHILLER, M.D.
O. B. MCGILLICUDDY, M.D.
H. J. MEIER, M.D.
RALPH W. SHOOK, M.D.
C. ALLEN PAYNE, M.D.
H. H. HISCOCK, M.D.
J. F. BEER, M.D.
E. S. OLDHAM, M.D.
D. G. PIKE, M.D.
O. J. JOHNSON, M.D.
W. M. LEFEVRE, M.D.
B. T. MONTGOMERY, M.D.
T. P. WICKLIFFE, M.D.
B. M. HARRIS, M.D.
G. THOMAS MCKEAN, M.D.
WILLIAM BROMME, M.D.
K. H. JOHNSON, M.D., *Speaker*
J. J. LIGHTBODY, M.D., *Vice Speaker*
G. W. SLAGLE, M.D., *President*
G. B. SALTONSTALL, M.D., *President-elect*
L. FERNALD FOSTER, M.D., *Secretary*
W. A. HYLAND, M.D., *Treasurer*
ARCH WALLS, M.D., *Immediate Past President*

D. BRUCE WILEY, M.D.: Mr. Speaker, there are two addenda to the Supplemental Report that I would like to present to the House at this time. The first is a report of the Michigan Chairman of the American Medical Education Foundation. I would ask the privilege of having Dr. Rhoades, the Michigan Chairman, present this report to the House.

American Medical Education Foundation —Supplemental Report—

F. P. RHOADES, M.D.: The American Medical Education Foundation is desperately in need of additional funds for the medical schools. The 6,000 physicians of Michigan represent 4 per cent of the membership of the American Medical Association, yet the \$10,000 contributed last year to the AMEF by the 6,000 Michigan physicians averaged only \$1.50 per physician. Our fair share should have been at least \$40,000. If we were to contribute our 4 per cent of the \$10,000,000 needed, we would have to raise \$400,000 or approximately \$66 from each physician.

In view of the fact that we succeeded in raising only \$1.50 per physician last year, this goal is unrealistic. Through a \$10 assessment or voluntary contribution we could raise our fair share of the \$1,000,000 that is currently being contributed by the physicians of the American Medical Association. This \$60,000 would represent over six times what we are now raising in Michigan.

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Voluntary dues increase plans have been adopted by several states:

Pennsylvania	\$25.00
New York	10.00
District of Columbia.....	25.00
Delaware	20.00

The following states have direct dues increases for the AMEF:

State	Dues	Portion Earmarked for AMEF
Illinois	\$ 40.00	\$20.00
Arizona	70.00	10.00
Utah	70.00	20.00
Idaho	40.00	10.00
Nevada	100.00	20.00
California	50.00	10.00
New Jersey	35.00	5.00

The Michigan State Medical Society has consistently been a leader among the other state medical societies. We have always been proud of our many contributions to the progress of organized medicine. In the field of financial support of our medical schools we have fallen far short of the national average. Therefore, either a voluntary contribution of \$10 should be imprinted upon our membership statement, or the House of Delegates should vote an increase of \$10 in the state dues, to be earmarked for the American Medical Education Foundation.

THE SPEAKER: I should like to refer this portion of the report to the Reference Committee on Resolutions.

Medical Care Insurance Committee —Supplemental Report—

D. BRUCE WILEY, M.D.: Mr. Speaker, during the past year the Medical Care Insurance Committee of the Michigan State Medical Society has done a great deal of work, holding monthly meetings and over week-ends, and from their studies and activities they have compiled a very extensive report of factual information which is of value to all of us in our consideration of our present problem.

Mr. Speaker, I would like to ask permission to have the Chairman of the Medical Care Insurance Committee, Dr. Lichter, report this addendum to the House of Delegates.

THE SPEAKER: Dr. Wiley, the request is granted. I believe it would be much more appropriate if this were presented tomorrow along with the committee reports, however. Unless this House prefers that it be presented tonight, that will be the ruling of the Chair. I hear no objection, so this report will be presented tomorrow.

D. BRUCE WILEY, M.D.: Thank you, Mr. Speaker.

The other addenda are attached to the supplemental report of The Council and have been referred to the Reference Committee.

VII. REPORT OF DELEGATES TO AMERICAN MEDICAL ASSOCIATION

THE SPEAKER: On page 83 of the Handbook, you will find the report of the delegates to the American Medical Association. As we have learned, Dr. Hyland is busy in Copenhagen and other places, but I will ask if there is an additional report at this time. Hearing none, this report will be referred to the Reference Committee on Officers' Reports.

On page 61 is the annual report of the Woman's Auxiliary. Mrs. Payne, the President, will present an additional report.

VIII. REPORT OF WOMAN'S AUXILIARY TO MSMS

MRS. C. ALLEN PAYNE (Grand Rapids): The Woman's Auxiliary is most appreciative of this opportunity to tell you of some of their activities and accomplishments this past year. This report represents the combined efforts of all Auxiliary members.

At present we have more than 3,150 members in forty-seven county groups. One new county auxiliary was organized this year. Increased interest in raising funds for the American Medical Education Foundation has been evidenced this year. Thirty-eight counties have contributed \$3,564.33; the State Auxiliary has contributed \$351.81.

Today's Health magazine, published by the American Medical Association for the American family, is enjoying increased sales and popularity among our members. Recruitment of medical associates continues as a primary project in Michigan. This program presents an opportunity to serve our communities, our young people, and our husband's profession at one time. This year, money contributed for loans and scholarships came to a grand total of \$9,789. With our help, seven degree, forty-eight registered and twenty-four practical nurses were graduated. One medical technologist scholarship was given this year.

Public relations, which is the service one gives to his community in health education, practice of good citizenship, and civic and cultural activities, is of primary importance to Michigan Auxiliary members. The many hours of volunteer service every doctor's wife contributes to her community, whether through her church, school PTA, or organized community health agency, hospital, farm, civic and cultural groups, cannot be measured in time or money.

Great interest in Science Fairs and in organizing Career Days for high school students has been evidenced this year. Our Tuberculosis Speaking Project, which is co-sponsored annually with the Michigan Tuberculosis Association, again had a most fruitful year; 2,500 students took part in the contest through the participation of eighty-seven schools.

Home safety, water safety and accident prevention have been stressed in Michigan this year. Interest in the State now centers on chemical tests for intoxication, education of problem motorists and violators, driver licensing, and improvement of driver education services.

The Michigan Auxiliary is a member of the Michigan Health Council and a co-sponsor of the Michigan Rural Health Conference. This year three Auxiliary members are serving on an Advisory Committee to the M.D. Placement Program. Two Auxiliary members have been named to the Health Careers Committee of the Michigan Health Council.

Auxiliaries to the Student American Medical Association are fully organized at both medical schools in this State. The Auxiliary paid the expenses for a representative of each group to attend the constitutional convention for the Auxiliary to SAMA in Chicago in May.

The *Auxilium* is the new name for our official State Auxiliary publication. It is published three times a year and is sent to the full membership.

Your Auxiliary has continued to enjoy a close working relationship with the Advisory Committee of the Michigan State Medical Society. The Auxiliary President has met with Dr. E. H. Fuller, Chairman, frequently, and sought advice and guidance in regard to related projects. The Auxiliary is greatly appreciative of the efforts of Dr. Fuller and his Committee.

The future of our organization holds great promise for added achievement and service. For your past support

and encouragement we are most grateful, and we look to you for continued guidance.

Thank you again for allowing me to give you this brief summary of your Auxiliary's activities. (*Applause*)

THE SPEAKER: This report will be referred to the Reference Committee on Officers' Reports.

IX. REPORT OF THE MICHIGAN STATE MEDICAL ASSISTANTS' SOCIETY

MISS MARLOUISE REDMAN [Detroit]: During the past year, representatives of the Michigan State Medical Assistants' Society have attended various functions of the Michigan State Medical Society. A special meeting was called at the request of The Council to acquaint our component societies with the Seal of Assurance program.

Last October, eight members of the Michigan State Medical Assistants' Society attended the annual meeting of the American Association of Medical Assistants in San Francisco, California. Next month, our delegates will join members of other state organizations at the national meeting in Chicago, Illinois. At this time, there are twenty states that have joined the American Association of Medical Assistants. At the meeting in Chicago, one of our members will present a paper, and we shall also submit a bid to hold the 1960 annual meeting in Detroit.

Two Presidents' Conferences and an Educational Seminar were held this year. "Legislation" was the theme of the program presented by Drs. Kenneth Johnson and Lawrence Drolett. Seventy-four officers and committee chairmen, representing sixteen component societies, attended the meeting, which was held in Jackson.

In April, eighty members listened to the staff of the Michigan State University lecture on the subject of "Leadership." This conference was held at the Kellogg Center on the campus in East Lansing.

"Two Sides of the Desk" was the theme followed by the University of Michigan at our Educational Seminar, which was held at the same time as the Michigan Clinical Institute. One hundred eighty people were present at this first annual seminar, which was held at the Fort Shelby Hotel in Detroit.

The *Bulletin*, official publication of the Michigan State Medical Assistants' Society, has been printed quarterly, and we have been fortunate in having Miss Marie Erickson as business manager for our first attempts at soliciting advertisers. We feel that *The Bulletin* affords us the opportunity to reach our members with informative and educational information. We are grateful to The Council of the Michigan State Medical Society for their approval to have Addressograph plates made for our use for *The Bulletin* and other mailings.

The Educational Committee, with the help of our Advisory Board and the Extension Service of the University of Michigan, is sponsoring a program of "In-Service Training for Medical Assistants." The University of Michigan is conducting pilot study courses in six areas—Battle Creek, Detroit, Flint, Jackson, Lansing and Pontiac. Each of these courses will meet for sixteen two-hour sessions, and upon completion of the pilot program published courses of study will become the property of the Education Committee of the Michigan State Medical Assistants' Society.

The Michigan State Medical Assistants' Society has had the assistance of Mr. Jack Pardee, of the Public Relations Department of the Michigan State Medical Society, and we are indebted to the many hours that he has given in our behalf.

The number of component societies has increased this year, with St. Clair and Washtenaw Counties holding regular meetings and Lenawee and Barry Counties having held their organizational meetings. To date we have 940 members, 649 old members and 291 new members. The annual reports of the presidents of the component societies and the officers and committee chairmen of the

State Society will be compiled and mailed to each member of our organization.

The Michigan State Medical Assistants' Society greatly appreciates the interest and confidence of The Council of the Michigan State Medical Society. We are grateful to the county medical societies, the Michigan Medical Service representatives, and the drug detail men who have helped to acquaint interested persons with the purposes of the Medical Assistants' Society.

We would like to take this opportunity to invite you to attend the functions of our Ninth Annual Convention. We will be happy to greet you at the Statler-Hilton Hotel on Wednesday and Thursday of this week.

THE SPEAKER: This report will also be referred to the Reference Committee on Officers' Reports.

X. MICHIGAN MEDICAL SERVICE REPORT

On page 96 of the Handbook, there is a report on Michigan Medical Service. This report will be referred to the Reference Committee on Miscellaneous Business.

XI. SELECTION OF MICHIGAN'S FOREMOST FAMILY PHYSICIAN

Each year at this time we enjoy the privilege and have the responsibility of awarding some of our distinguished members of the State Society for their accomplishments. In order to do this we first must select Michigan's Foremost Family Physician.

As you know from the Report of the Council, three names have been submitted. It is the duty of this House to select one man to be the Foremost Family Physician. (*Dr. Slagle read the information on each of these candidates.*)

THE SPEAKER: I shall appoint tellers, who will act as the official tellers for the duration of this meeting of the House. The tellers will be Dr. Sweeney, Dr. Fuller, Dr. Daugherty and Dr. Weston.

(*Balloting*)

THE SPEAKER: I am happy to announce that the vote indicates that Dr. Drolett has been selected as Michigan's Foremost Family Physician. (*Applause*).

XII. FIFTY-YEAR AWARDS

THE SPEAKER: We have another very delightful privilege each year, that of recognizing the men who have practiced for fifty years. I shall ask our President, Dr. Slagle, and our Vice Speaker, Dr. Lightbody, to initiate these gentlemen into this rugged order of individualists.

(The following members were presented with Fifty-Year Awards and pins:

William J. Cassidy, M.D., Detroit
Wayne A. Cochrane, M.D., Jackson
Fred H. Cole, M.D., Detroit
Clayton J. Ettinger, M.D., Detroit
Samuel Glassman, M.D., Detroit
Bernard H. Glenn, M.D., Fowlerville
Lloyd W. Howe, M.D., Marquette
Mark Marshall, M.D., Ann Arbor
J. Earl McIntyre, M.D., Lansing
Harriet E. McLane, M.D., Detroit
Daniel J. O'Brien, M.D., Lapeer
J. M. Robb, M.D., Detroit
Susanne M. Sanderson, M.D., Detroit
Leal K. Slote, M.D., St. Joseph
Andrew L. Swinton, M.D., Marquette
Henry L. Ulbrich, M.D., G. P. Woods
Paul Van Riper, M.D., Champion
(*The House arose and applauded*)

THE SPEAKER: I am sure, gentlemen, I express the sincere congratulations of the entire members of the

House of Delegates, representing all the doctors of the State of Michigan, to these gentlemen for their very fine achievement of having reached fifty years of service in the practice of medicine. (*Applause*)

XIII. SUPPLEMENTAL ANNUAL REPORT OF BIG LOOK COMMITTEE

WILLIAM S. JONES, M.D. [Menominee]: As you know, last year the House of Delegates authorized The Council to buy property and prepare plans, and they provided the funds to build a new home for the Michigan State Medical Society. This need has been recognized over a period of years.

I can remember some twenty-three years ago when we had space in Lansing approximately one-third the size of this room in which to house the Michigan State Medical Society office. There were 450 square feet, we had two employees, and at that time we had 3,000 members in the State Society.

Today, we have some 6,200 members of the State Society. At that time the budget was \$35,000; today the budget is \$424,000.

It was recognized that there was a need for this building, because as we progressed in our activities and the service we gave to the State Medical Society—and, by “we” I mean the officers you elect in a democratic way—we started with 450 square feet, then we went to 600 square feet and in 1949 or so we bought the present property at Lansing in which we have 6,500 square feet.

Believe me when I say that every inch of space is being utilized, and we are very short of space. For that reason the House of Delegates last year authorized The Council to proceed to buy property. Dr. Johnson was chairman of the committee to buy the property, and I am sure those of you who have seen the property know it is one of the choice locations in Lansing, on the corner of Abbott Road and Highway 78.

The House of Delegates authorized the Committee to select architects to draw plans. We have employed those architects, the firm of Yamasaki, Leinweber and Associates.

I thing it would be in keeping with what we are trying to do as your representatives to present Mr. Yamasaki tonight, who has been most cooperative in advising with us as to property, the type of building, the surroundings, and how it is to be laid out. He is a nationally-known architect.

It is a great pleasure to present to you Mr. Yamasaki. (*Applause*)

MR. YAMASAKI: It is a pleasure to be here tonight. We have a few slides of the project which will explain visually much more clearly than words, so I would like to show them to you.

(*Slide*) This is a very beautiful site on M78 going into Lansing. This is Abbott Road here. This is a view of the building from above.

The site is roughly 400 by 340 feet. First I should tell you that it has an elevation. It is high at this point. There is a ridge here 5 to 6 feet higher than the main highway.

Since this is at the intersection of two principal highways, there is a clear vision strip that we cannot build on nor have trees or roads on. The State Highway Department has become very strict about this rule, because there were two fatal accidents here recently. So, the problem is to put the building on the site without using this piece of land.

The building that we have designed is roughly 155 feet long by 47 feet wide. The main entrance to the building is from Saginaw Street (M78). This circle will miss this clear vision strip. You will walk along this strip to the main entrance. The parking lot at the back will be entered from Abbott Road and will contain room for about fifty-five cars. However, the Society has

an option on the land north of this, about 70 feet, and that will enable more parking in the future. I don't know whether it is under option or has been purchased as yet.

The site slopes back from here, as well as forward. There is a beautiful grove of trees on the site. This grove here is completely surrounded by evergreens. There is a line of trees here and here. We have shown the parking lot in the rear of the line of trees, and hope to have that extended to here so that the parking lot will be screened from the building.

The entrance for employees and for doctors who know the building will be in this direction from the parking lot, up a few steps and into the building. We propose the rear entrance to be equally as nice as the front entrance.

(*Slide*) This is how the building will look. It will be built of precast concrete elements. The columns are five feet apart. The roof spans the entire 47 feet. This will be precast on the ground, and one section will be welded to the next one, forming the roof. There is a great deal of economy in precasting. The columns will also be precast, but they will be surfaced with a white quartz aggregate. This white quartz aggregate is a permanent finish, 90 per cent of the finish being the natural stone and 10 per cent cement. The cement will be white. It will stay clean in the rain and will last indefinitely, and will be very beautiful.

The spanule panels will be of some kind of metal. We haven't quite determined that, but we are thinking about gold porcelain enamel panels.

This is the entrance. It is 20 feet wide, and the glass is set back at the entrance. The lobby will be two stories high so that there will be a very imposing entrance.

Our objective with this building was to have a very simple and dignified building that will function properly for your services in the building. We feel this will have a very pleasant and dignified appearance. I think it will be a very striking and imposing building.

The building will be roughly 25 feet high, but the grade being five feet above the ground, the building will be roughly 35 feet above the highway.

(*Slide*) This is another view showing how it will look from the street. The arches overhang the building about five feet on either side and will protect the long building facade from weathering. Again, the approach is here.

(*Slide*) This is a view looking directly at the building from the street. The first picture was somewhat deceiving because no one will be able to look down unless he is in a helicopter. Here is the entrance, and you can see the two-story lobby here. The two floors are expressed here and here.

(*Slide*) This is another view from above, showing the relation to the parking lot.

(*Slide*) These are contour lines. You can see the high portion of the grade here. Then we cut into the grade for a basement service entrance so that we can come directly into the basement area for service. A future extension, if needed, will be placed here and will be tied to the building. The service drive will enter the building at this point in the future; however, the building is adequate for the time being.

Mr. William Jarrett of our office will explain the floor plan in detail.

MR. WILLIAM JARRETT: (*Slide*) This is the first floor plan. As Mr. Yamasaki explained, we come into the building from the turnaround. You will walk up to the plaza, which runs the full length of the building. You enter the lobby here. The lobby is set back from the columns of the building to form sort of a porch.

This is the main Board room, with a committee room divided by a folding partition. This is the all-purpose room and the kitchen. This is only a catering kitchen; as this was planned, it was the thought that the Board would meet in this room, then eat dinner here, with a catering company to serve them.

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The business office suite is here, with the Business Manager's office here, his secretary next, and the book-keeper and vault adjacent. There are two extra offices unassigned. There is an office for the President of the Society, with a small lavatory and storage space for his use.

This office is for scientific work space, with a secretary adjacent. This is the office of the editor, and his secretary next to him. There is the men's and women's toilet rooms.

(Slide) This is the second floor plan. This is the upper part of the two-story lobby, and this is a bridge crossing it at the second floor level. At this end is the office of the Executive Director, with a lavatory and a storage unit serving both sides. This is the Administrative Assistant's office. This is the room for the secretary. Here is the stockroom, and over here is the stenographic office.

The Public Relations Counsel's office is here, with a lavatory and storage unit, and next to him is his secretary's room. Adjacent to that is an extra office which has a folding partition separating it from the Public Relations Library.

This is the Assistant Public Relations Counsel's office and the office of his secretary. This office is for the MCIC secretary. This is the men's and women's toilet rooms, janitor closet, and so on, similar to that on the first floor.

(Slide) This is the basement plan. Here is the service entrance that you saw on the model, also shown on the previous slide. This is the processing room; this is for exhibit material; here is the stockroom, literature storage, audiovisual, file room, and more storage. This large space is devoted to the mechanical equipment room, containing the air conditioning equipment. Here are the men's and women's toilet rooms and the secretaries' lounge and rest rooms.

THE SPEAKER: This matter is referred to the Reference Committee on Reports of The Council. There will be drawings available at the Reference Committee meeting. There is a model of the building on the far side of the room, as I am sure you have all noticed.

C. W. SELLERS, M.D., [Wayne]: It seems to me that when visiting dignitaries come up in an automobile there should be some way of driving into the parking lot without having to go around Robin Hood's barn.

MR. YAMASAKI: (Slide) The question is whether or not we should have a driveway from here to here on the property. Consideration was given to that, Doctor, but here are the reasons we decided not to do it: First of all, this is about 300 feet of road, and it would be expensive. All the employees and all the doctors who use this building will know about the parking lot after one visit, and they will drive into the parking lot and walk directly into the building.

Visitors who arrive at the building are relatively few. Four or five a day would be the most, as I understand it from Mr. Burns. They can park here. There is room enough in the driveway to park six cars. The visitors can walk directly into the building.

We believed that we could save the cost of a 300-foot road and also we would not cut up the property. There is also the matter of safety on the corner. It is really much better to enter from here. We also thought of coming right in from here, but that seemed needless because this is really at the front of the building. We cannot put a road through this clear vision strip, as I have explained, and so having this driveway located here is really much better, because any road coming into or out of M78 should be as far away from that corner as possible.

VOICE: What is the size of the building on the ground?

MR. YAMASAKI: The building is 155 feet long and 46 feet 6 inches wide.

VOICE: What is the total square foot area?

MR. YAMASAKI: About 19,500 square feet of floor area.

VOICE: What will happen to the rain water?

MR. YAMASAKI: We have a way of getting rid of it. We will get rid of it by troughs.

VOICE: Is there any provision for an elevator?

MR. YAMASAKI: Yes, there is provision for an elevator.

VOICE: I think we are all intrigued by the style of architecture and materials to be used, but what assurance do we have? Suppose in fifteen or twenty years we want to add an addition. Will we be able to get the materials that are used in this original building?

MR. YAMASAKI: The material we are using is coming on the market with great rapidity. I can almost assure you that precast concrete will be the material of the future.

Normally, you put up a building and you make a structural element, and then you cover it with concrete. Let's say it is made with steel. You cover the steel with concrete to make the building fireproof. Then you cover it with stone. That is a very costly way to build a building. Many of us have been experimenting with this and have found that it is most successful to precast the whole element. We have found that it is weatherproof and that it is a very good material.

We are among the first group of architects to use this scheme. The material itself has been tried and tested. There is a very complex building in Chicago that was built in 1922 with this material, and it is still very beautiful. So, this is not a new material.

Of course concrete is not a new material, but the method of using it is new, and I think this is what buildings will be built of in the future. Buildings have to be mechanized. We can't hand-make buildings any more. In other words, the trouble with the building industry and its high cost is that the building industry is one of the few industries that has not completely mechanized. Through methods such as precasting we are mechanizing the building industry, and consequently bringing building costs down to where they should be.

VOICE: What is the back of the building going to look like?

MR. YAMASAKI: Exactly the same as the front. You can see that in the model. It will be a good looking building all the way around. You won't have a big brick wall in the back.

VOICE: Do you have the estimated cost?

MR. YAMASAKI: The estimated cost is \$450,000 plus the site work. The cost of the land is not included.

VOICE: What is the material between the precast sections?

MR. YAMASAKI: When you precast these elements you put them up with a crane, and then you weld the pieces together, and then about 1½ inches of insulation will be put on top of that, which will be Fiberglas or foam glass. On that we will put a built-up roof, a normal built-up roofing, just like you have in any stock roof. Actually, the silhouette is not so difficult that we can't use this material. On top of that we will put a plastic with marble chips embedded in it, which will give a white surface so that the roof will be white when seen from the side, and also that will reflect the heat, which will be a saving in air conditioning.

All the materials will be permanent materials. You have glass, porcelain enamel and this porous material on the front of the building. It will not look shabby in a short time, as so many modern buildings do. (Applause)

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THE SPEAKER: This is a beautiful building, in my opinion. It is dignified and serviceable, and I am personally completely sold on it.

XIV. MICHIGAN'S NOMINEE FOR PRESIDENT'S AWARD ON EMPLOYMENT OF PHYSICALLY HANDICAPPED

H. L. GORDON, M.D., [Midland]: At this time, when we are paying tribute to some of the very wonderful Michigan men of medicine, it seems appropriate that we should give recognition to one of our colleagues who has made outstanding contributions in the field of rehabilitation.

By way of explanation I should tell you that once a year the President of the United States, through the President's Committee on Employment of the Physically Handicapped, makes an award to some physician who has made outstanding advances in the welfare or the employment of the physically handicapped. The next award will be made in February 1959. Nominations for this award may be made by state medical societies or governors' commissions on employment of the physically handicapped.

The Michigan State Medical Society and the Governor's Commission on Employment of the Physically Handicapped has nominated a man who they feel is most qualified and certainly deserving of this award. He is Dr. Richard Pomeroy. I will not try to give you his pedigree in any detail, nor his accomplishments—not that I am afraid of embarrassing him, but I am afraid I will give myself an inferiority complex.

I would like to point out that he is an orthopedic surgeon, a member of the Ingham County Medical Society, the Michigan State Medical Society, the American Medical Association, the American Board of Orthopedic Surgery, the American Academy of Orthopedic Surgery, the American Academy of Cerebral Palsy, and the Community Services Council.

He is a Fellow of the American College of Surgeons, a member of the Board of Directors of the Ingham County Society for Crippled Children and Adults, a member of the Board of Directors of the United Cerebral Palsy in Lansing, and a member of the State Medical Advisory Committee of the United Cerebral Palsy of Michigan. He is also a member of the Vocational Rehabilitation Committee of the State Office of Vocational Rehabilitation.

Dr. Pomeroy's achievements have been made in the Ingham County Rehabilitation Center. This is made up of the Rehabilitation Hospital, the Sheltered Workshop and the Rehabilitation Industry. His leadership and his devotion to this cause and the time he has spent make Dr. Pomeroy certainly very well qualified for nomination to receive the President's Award.

It is a great pleasure to present this to you, Dr. Pomeroy. I am sure I speak for the House of Delegates when I say that our good wishes go with Dr. Pomeroy in his endeavors in this field, and that we all hope he is the one who is selected for the President's Award in February 1959.

THE SPEAKER: Thank you, Dr. Gordon; and congratulations, Dr. Pomeroy. Do you have a word to say, Dick?

RICHARD POMEROY, M.D., [Ingham]: Just to thank you.

THE SPEAKER: If there is no further business, we stand recessed until nine o'clock tomorrow morning.

(The meeting adjourned at 10:45 p.m.)

JANUARY, 1959

MONDAY MORNING SESSION

September 29, 1958

The meeting reconvened at 9:15 a.m., K. H. Johnson, M.D., Speaker of the House of Delegates, presiding.

XV. RESOLUTIONS AND MOTIONS

XV—1. TWO-THIRDS MEMBERSHIP VOTE SHALL CONSTITUTE FAVORABLE REFERENDUM

G. C. WILSON, M.D. [Lenawee]:

"Whereas, the Michigan State Medical Society is an organization of the doctors of medicine of this State of Michigan, and

"Whereas, the purposes of that organization are listed in Article III of the Constitution of the Michigan State Medical Society, and

"Whereas, the House of Delegates is intended to represent the members of the Michigan State Medical Society and act as the legislative body of that Society, and

"Whereas, the Michigan Medical Service was conceived, organized, and is now operating, and

"Whereas, the 1957 House of Delegates acted to extend Michigan Medical Service and empowered Michigan Medical Service to create new contracts, and

"Whereas, such contracts have been created and have been sold to citizens of the State of Michigan, and

"Whereas, this action has met with some disapproval by members of the Michigan State Medical Society, and

"Whereas, Chapter XII, Section 2 of the Constitution of the Michigan State Medical Society empowers the House of Delegates, by a majority vote, to submit any question pertinent to the community and organized medicine to the membership of the Society for its vote, and

"Whereas, over 66 per cent of our Society members did sign up for participation before any contract went into force, and

"Whereas, it is the right of each individual doctor of medicine in this State to belong to and to participate in the activities of the Michigan State Medical Society, and

"Whereas, a truly representative organization is desirable; therefore, be it

"RESOLVED: That participation by over two-thirds of the members of the Michigan State Medical Society in Michigan Medical Service, as evidenced by their signatures, be considered to constitute a referendum favoring existing leadership and be it further

"RESOLVED: That lack of participation by over two-thirds of the members be considered to constitute a referendum favoring a change in policy, and by implication a change in whomsoever could be considered as responsible for that policy."

THE SPEAKER: This resolution will be referred to the Reference Committee on Medical Service and Prepayment Insurance.

XV—2. FUND RAISING—FEDERATED AND OTHERWISE

W. C. BEETS, M.D. [Kent]:

"Whereas, many publicly supported health agencies such as the Anti-Tuberculosis Society, the Polio Foundation, the Heart Fund and the American Cancer Society, have protested our Resolution No. 5 of the 1957 House of Delegates, and

"Whereas, these groups in their individual campaigns are remarkably successful, while the United Fund group have been failing to meet their quotas, and

"Whereas, it is not the function of organized medicine to determine the method of fund raising; be it

"RESOLVED: That the House of Delegates rescind

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the 1957 resolution endorsing federated fund raising, and approve individual campaigns if the objectives of such an organization meet with the full approval of the local medical society."

THE SPEAKER: This resolution will be referred to the Reference Committee on Legislation and Public Relations.

XV—3. REPEAL OF STATEMENT OF PRINCIPLES COVERING BLUE SHIELD CONTRACTS

G. S. BATES, M.D. [Wayne]:

"Whereas, a significant degree of dissatisfaction among doctors of medicine has arisen since the M-75 contract has been made public, and

"Whereas, the major features of M-75 which arouse controversy concern:

"1 The method of payment of professional fees to nonparticipating physicians.

"2 The new income limit for service benefits.

"3 The uniform scale of fees which ignores the value of unusual training and experience.

"4 The change in method of determining subscriber income for contract purpose.

"5 The extension of benefits to include laboratory, diagnostic and therapeutic radiologic procedures without adequate control of proper usage.

"6 The fees paid for individual service, and

"Whereas, the M-75 contract is a reflection of the commitments made by The Council of the Michigan State Medical Society in its 'principles to be embodied in insurance contracts,' under authority granted by vote of the House of Delegates, September, 1957, and

"Whereas, it is firmly believed that the interests of the public and the medical profession will suffer severely unless the present controversies are mediated; therefore, be it

"RESOLVED: That the endorsement of the aforementioned statement of principles by the House of Delegates be hereby repealed; and be it further

"RESOLVED: That the House of Delegates take immediate action to stop the promotion and sale of M-75 forthwith; and be it further

"RESOLVED: That the House of Delegates create a special committee to re-examine forthwith the statement of principles governing insurance contracts and the M-75 contract itself in the light of the known major points at issue; and be it further

"RESOLVED: That the special committee report in full its deliberations and recommendations for change; and be it further

"RESOLVED: That the Speaker of the House of Delegates be instructed to call a special session of the House of Delegates in March of 1959 or before, if feasible, to hear a full report from the special committee on its re-examination and recommendations for change in the aforementioned principles and contract."

THE SPEAKER: This will be referred to the Reference Committee on Medical Service and Prepayment Insurance.

XV—4. ALPHABETICAL LISTING OF MEMBERS

D. W. THORUP, M.D. [Berrien]:

"Whereas, the Directory of Members, as published by the Journal of the Michigan State Medical Society, is of great value, and

"Whereas, the use of this publication would be greatly facilitated by inclusion of an alphabetical listing of names with identifying county society; therefore, be it

"RESOLVED: That the Publications Committee of the Journal of the Michigan State Medical Society include such a list in that Directory."

THE SPEAKER: This will be referred to the Reference Committee on Miscellaneous Business.

XV—5. TERMINATION OF SALE OF BLUE SHIELD'S M-75 CONTRACT

J. D. MILLER, M.D. [Kent]:

"Whereas, the Kent County Medical Society, at its regular meeting September 9, 1958, expressed its opinion in the following motion: 'That this Society instruct their delegates to recommend the immediate termination of the sale of the M-75 plan, and that the feasibility of this or other types of contracts be thoroughly restudied by the House of Delegates'; therefore, be it

"RESOLVED: That the House of Delegates instruct (order) Michigan Medical Service to terminate the sale of the M-75 plan; and be it further

"RESOLVED: That the House of Delegates institute measures for restudy of M-75 and other similar types of contracts."

THE SPEAKER: This resolution will be referred to the Reference Committee on Medical Service and Prepayment Insurance.

XV—6. MEDICAL REPRESENTATION WHEN MANAGEMENT-LABOR NEGOTIATE MEDICAL SERVICES

J. D. MILLER, M.D.:

"Whereas, Michigan Medical Service provides service contracts for prepaid medical care, and

"Whereas, the service furnished in carrying out said contracts is provided by the members of the Michigan State Medical Society, and

"Whereas, the services provided by the members of the Michigan State Medical Society have therefore become an item of negotiation and/or bargaining between labor and management, and

"Whereas, those who furnish the services involved in said service contracts have not been represented at such negotiations; therefore, be it:

"RESOLVED: That the Michigan State Medical Society be represented when negotiations and bargaining for such medical services is involved."

THE SPEAKER: Your Speaker would like to refer this resolution to the Reference Committee on Resolutions.

XV—7. FEE COMMITTEES SHALL WORK UNDER THE COUNCIL

J. D. MILLER, M.D.:

"Whereas, many of the present misunderstandings in regard to fees are the result of multiple committees on fees whose authority is not clearly understood and is frequently overlapping; therefore, be it

"RESOLVED: That the Permanent Advisory Committee on Fees of this House of Delegates be instructed to work with The Council when this House is not in session, and that all other committees on fees of the Michigan State Medical Society work under its direction."

THE SPEAKER: This resolution will be referred to the Reference Committee on Reports of The Council.

XV—8. NO DISTINCTION IN PAYMENT BETWEEN NON-PARTICIPATING AND PARTICIPATING PHYSICIANS IN BLUE SHIELD

P. T. LAHTI, M.D. [Oakland]:

"Whereas, the Statement of Principles as passed by the House of Delegates of the Michigan State Medical Society upon which the M-75 plan is based states in Principle I: 'There must be complete freedom of choice of physician by the patient. Nothing in any contract will imply any restriction of this Principle,' and

"Whereas, the doctor-opinion survey on prepaid medical care plans, page 61, paragraph 12, reveals that the majority of the doctors of Michigan 'feel that where service is rendered by a nonparticipating physician the

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Blue Shield payment should go directly to the doctor,' and

"Whereas, the M-75 policy implies against nonparticipating physicians as indicated in Section 5, last paragraph, by the statement: 'NONPARTICIPATING: If, in an emergency, the member shall utilize the services of a nonparticipating physician . . .,' and this is considered in direct violation of Section 10 of the Enabling Act MPA 108-1939, which states: 'The private physician-patient relationships shall be maintained and the subscriber shall at all times have free choice of doctor of medicine,' and

"Whereas, the present stated intent of M-75 administration is to pay the patient of the nonparticipating physician rather than the physician himself, and

"Whereas, this discrimination against the nonparticipating physician infringes upon his right to set his own fee, and seriously affects the patient-physician relationship; therefore, be it

"RESOLVED: That the House of Delegates of the Michigan State Medical Society direct the Michigan Medical Service to pay the nonparticipating physician in the same manner as the participating physician; and be it further

"RESOLVED: That the words 'in an emergency' be deleted from Section 5, last paragraph, of the M-75 contract."

THE SPEAKER: The Speaker will assign this resolution to the Reference Committee on Medical Service and Prepayment Insurance.

XV—9. SPONSORSHIP OF AAPS ESSAY CONTEST

L. J. BAILEY, M.D. [Wayne]:

"Whereas, the medical profession is a group of strong individuals, proud of their heritage, their independence and their professional attainments in providing the American people with the highest standards of medical care in the world, and

"Whereas, these high standards were accomplished under a system of private practice in which each individual physician served his patients faithfully, applying his medical knowledge and skills to the best of his ability in order to survive in medical competition, and

"Whereas, the Essay Contest for High School Students, through twelve consecutive years of sponsorship, has demonstrated its value as an educational program for informing high school students on the advantages of the system of private practice of medicine and the system of American free enterprise, and

"Whereas, the task of informing students must be sustained from year to year because each year new groups of students are brought into the high schools, and

"Whereas, the Association of American Physicians and Surgeons, Incorporated, has requested the Michigan State Medical Society to sponsor the 1959 Essay Contest, and has asked that the President of the Michigan State Medical Society appoint a special committee to manage the contest; therefore, be it

"RESOLVED: That the Michigan State Medical Society accede to the request of the Association of American Physicians and Surgeons, Incorporated, to sponsor the 1959 Essay Contest, and that the President appoint a special committee to manage the contest."

THE SPEAKER: Dr. Bailey's resolutions will be assigned to the Reference Committee on Legislation and Public Relations.

XV—10. REPEAL OF STATEMENT OF PRINCIPLES COVERING BLUE SHIELD CONTRACTS

J. W. RICE, M.D.:

"Whereas, a significant degree of dissatisfaction among doctors of medicine has arisen since the M-75 contract has been made public, and

"Whereas, the major features of M-75 which arouse controversy concern:

"1—The method of payment of professional fees to nonparticipating physicians,

"2—The new income limit for service benefits,

"3—The uniform scale of fees which ignores the value of unusual training and experience,

"4—The change in method of determining subscriber income for contract purposes,

"5—The extension of benefits to include laboratory, diagnostic and therapeutic radiologic procedures without adequate control of proper usage,

"6—The fees paid for individual service, and

"Whereas, the M-75 contract is a reflection of the commitments made by The Council of the Michigan State Medical Society in its 'principles to be embodied in insurance contracts' under authority granted by vote of the House of Delegates, September, 1957, and

"Whereas, it is firmly believed that the interests of the public and the medical profession will suffer severely unless the present controversies are mediated; therefore, be it

"RESOLVED: That the endorsement of the aforementioned statement of principles by the House of Delegates be hereby repealed; and be it further

"RESOLVED: That the House of Delegates take immediate action to stop the promotion and sale of M-75 forthwith; and be it further

"RESOLVED: That the House of Delegates create a special committee to re-examine forthwith the statement of principles governing insurance contracts, and the M-75 contract itself in the light of the known major points at issue; and be it further

"RESOLVED: That the special committee report in full its deliberations and recommendations for change; and be it further

"RESOLVED: That the Speaker of the House of Delegates be instructed to call a special session of the House of Delegates in March of 1959 or before, if feasible, to hear a full report from the special committee on its re-examination and recommendations for change in the aforementioned principles and contract."

THE SPEAKER: This will be referred to the Reference Committee on Medical Service and Prepayment Insurance.

XV—11. MSMS COUNCILOR DISTRICT REPRESENTATIONS ON BLUE SHIELD BOARD OF DIRECTORS

A. D. ALLEN, M.D. [Bay-Arenac-Iosco]:

"Whereas, there is need for closer liaison between members of the Michigan State Medical Society and the Michigan Medical Service, and

"Whereas, more direct representation would bring about closer co-operation with the doctors of medicine; we therefore

"RESOLVE: That the Board of Directors of Michigan Medical Service contain an elected representative from each councilor district."

THE SPEAKER: This will be referred to the Reference Committee on Resolutions.

XV—12. STUDY OF METHOD TO ALLOT PROPORTIONAL UNITS WHEN MEDICAL SERVICE IS PROVIDED BY MORE THAN ONE PHYSICIAN

A. C. STANDER, M.D. [Saginaw]:

"Whereas, the Blue Shield service plan embodies a full coverage hospital program, and

"Whereas, the best modern medical care is frequently a team program involving two or more physicians, and

"Whereas, the division of fees on the basis of services actually rendered is both equitable and ethical, and an established principle of group practice, and

"Whereas, it would be inconsistent with the principle

of free individual enterprise to deny to an individual what is granted to a group; and

"Whereas, many hospital procedures, especially surgical, can well be divided into diagnostic, definitive or operative care, or postoperative or convalescent phases; be it

"RESOLVED: That this House of Delegates request the appropriate committee or committees to study the advisability and method of allotting proportional units of the total unit value, when more than one physician participates actively in the care of the patient, on the basis of (1) diagnostic and pre-definitive care, (2) definitive or surgical procedures, and (3) post-definitive care when the latter is not properly or essentially a part of the definite procedure or treatment, or when the physician who has performed this definitive treatment is not available; and be it further

"RESOLVED: That the members of this House of Delegates be informed of the action taken as soon as possible, or at least by the time of the next meeting of the House of Delegates, be it a regular or special meeting."

THE SPEAKER: This resolution will be referred to the Reference Committee on Medical Service and Prepayment Insurance.

XV-13. POLL ON SOCIAL SECURITY

E. H. FENTON, M.D. [Wayne]:

"Whereas, representative action of delegates to the American Medical Association can only stem from adequate knowledge of the opinions of their constituents, and

"Whereas, this knowledge can in some cases only be obtained by a properly regulated and properly worded referendum, and

"Whereas, without such opportunity for expression of opinion the membership may rightly feel that they are not being adequately represented, and

"Whereas, opinions of individuals may change over a period of years, and

"Whereas, our delegates to the American Medical Association in Michigan have been forced to act without the benefit of a recent opinion survey on certain matters; therefore, be it

"RESOLVED: That the opinions of the physicians of this State be obtained before the next meeting of the House of Delegates of the American Medical Association on the question of social security participation; and be it further

"RESOLVED: That this opinion be obtained in the form of a stamped postal card, self-addressed by the Michigan State Medical Society, with the following simple wording: 'Do you favor inclusion of doctors of medicine as participants in the present social security system? Yes— No—'."

THE SPEAKER: This resolution will be referred to the Reference Committee on Officers' Reports.

XV-14. RULES OF CONDUCT FOR PHYSICIANS IN CLOSED PANEL PRACTICE

D. A. BOWMAN, M.D. [Bay-Arenac-Iosco]:

"Whereas, the United Mine Workers have a closed panel practice, and

"Whereas, other labor organizations have given their intention to develop new closed panel practice; therefore, be it

"RESOLVED: That the Michigan State Medical Society draw up rules of conduct for the individual doctor of medicine in his relationship to these health programs."

THE SPEAKER: This will be referred to the Reference Committee on Resolutions.

XV-15. SUSPENSION OF SALE OF BLUE SHIELD'S M-75 CONTRACT

F. H. POWER, M.D. [Grand Traverse-Leelanau-Benzie]:

"Whereas, a large segment of the members of the Michigan State Medical Society find the M-75 contract, as now offered, inadequate or objectionable in many of its features, and

"Whereas, many physicians participating in the M-75 contract have agreed to do so only with the understanding that it will be modified and improved in the future, and

"Whereas, certain conclusions based on the 1957 opinion study may have been rendered invalid as a result of increased interest and awareness of the insurance problem on the part of members of the Michigan State Medical Society; therefore, be it

"RESOLVED: That Michigan Medical Service be requested to suspend the sale of the M-75 contract; and be it further

"RESOLVED: That the insurance contracts offered by Michigan Medical Service be re-evaluated by a committee of the House of Delegates of the Michigan State Medical Society working with the Medical Care Insurance Committee of The Council for the purpose of devising a contract more acceptable to the members of the Michigan State Medical Society; and be it further

"RESOLVED: That any proposed insurance contract resulting from this re-evaluation be submitted to the next meeting of the House of Delegates, or to all the members of the Michigan State Medical Society, by referendum, for approval prior to endorsement and sale to the public."

THE SPEAKER: This will be referred to the Reference Committee on Medical Service and Prepayment Insurance.

XV-16. RESPONSIBILITY FOR TREATMENT OF DIABETES MELLITUS

SIDNEY ADLER, M.D. [Wayne]:

"Whereas, the treatment of diabetes mellitus is a responsibility of the medical profession; its detection, diagnosis, treatment and educational programs have been carried on through the Wayne County Medical Society, the Michigan State Medical Society and the Clinical Society of the Michigan Diabetes Association, Incorporated, and

"Whereas, the United States Public Health Service with the Tuberculosis Division of the Michigan State Health Department have undertaken the program of detection of diabetes and an educational program on diabetes; therefore, be it

"RESOLVED: That the Wayne County Medical Society, the Michigan State Medical Society and the Clinical Society of the Michigan Diabetes Association assume the responsibility and leadership for this program. It has been the policy to co-operate with all other agencies interested in health, both physically and financially, but it is firmly believed that the program should be carried on under the direction of the above groups of interested physicians."

THE SPEAKER: This will be referred to the Reference Committee on Hygiene and Public Health.

XV-17. DISTRIBUTION OF FREE POLIO VACCINE TO MEDICALLY INDIGENT

P. C. GITTINS, M.D. [Wayne]:

"Whereas, the City of Detroit and County of Wayne experienced a serious outbreak of poliomyelitis, the most severe in recent years, and

"Whereas, this high incidence and severity of the disease is indicative of the fact that the population of

the County of Wayne and the State of Michigan are inadequately protected against this serious disease, and

"Whereas, the Michigan State Department of Health does at the present time and has for many years distributed various types of vaccines for the prevention of certain communicable disease, and

"Whereas, no poliomyelitis vaccine is currently available for free distribution to indigent people, among whom the disease is showing its highest incidence; therefore, be it

"RESOLVED: That the Michigan State Department of Health be requested to include, among their free distributed drugs and biologics, poliomyelitis vaccine; and if sufficient funds are presently not available in the State Health Department budget, the Governor of the State of Michigan and the State Legislators be petitioned to allocate a sufficient sum of money on an emergency appropriation basis in order that the polio vaccine may be available for free distribution to indigent people immediately."

THE SPEAKER: This will be referred to the Reference Committee on Hygiene and Public Health.

XV—18. RULES FOR CONTROL OF MEDICAL STAFF IN PUBLIC HOSPITALS

H. A. FURLONG, M.D. [Oakland]:

"Whereas, the right of the Pontiac General Hospital to have rules and regulations for the control of professional-medical practice within the Hospital has been challenged by litigation in the Circuit Court of Oakland County, and

"Whereas, there is a standard practice of approved hospitals throughout the United States and Canada to have such rules and regulations for the control of professional practice within the hospital, and

"Whereas, it is one of the fundamental requirements of the Joint Commission on Accreditation of Hospitals that all hospitals so approved by the Commission shall have in effect constitutions, bylaws, and rules and regulations controlling the admission of members of the staff and professional practice within the hospital, and

"Whereas, the present litigation controlling the Board of Registration in Medicine does not cover this matter, and

"Whereas, the litigation in the Circuit Court of Oakland County cites the issuance of the license to practice medicine, and it is taken to mean that the hospital has no right to restrict the practice of any doctor within the hospital, and

"Whereas, in 1957 the Oakland County Medical Society by resolution asked the House of Delegates to take action to initiate the necessary legislation in Michigan to clearly establish the right of a public hospital to have rules and regulations for the control of the medical staff, and

"Whereas, even a favorable decision in the Circuit Court of Oakland County may result in an appeal to the Supreme Court of Michigan, and

"Whereas, the House of Delegates meeting in September could prepare legislation for action at the next session of the Legislature; therefore, be it

"RESOLVED: That the Oakland County Medical Society again request the Michigan State Medical Society to prepare with other interested parties, namely, the Michigan Hospital Association, legislation to clearly establish the right of a public hospital in Michigan to have rules and regulations for the control of the medical staff."

THE SPEAKER: This resolution will be referred to the Reference Committee on Legislation and Public Relations.

JANUARY, 1959

XV—19. STUDY COMMITTEE ON ALCOHOLISM

R. H. PINO, M.D. [Wayne]:

"Whereas, alcohol consumption seems to be an increasing factor in the incidence of disease and death in America; therefore, be it

"RESOLVED: That The Council of the Michigan State Medical Society establish a study committee on this problem, and that this committee report its findings and recommendations at the next annual session of the House of Delegates."

THE SPEAKER: This will be referred to the Reference Committee on Hygiene and Public Health.

XV—20. NO HOUSE OF DELEGATES MEETING ON SUNDAY, UNLESS NECESSARY

W. C. BEETS, M.D. [Kent]:

"Whereas, Sunday should be a day of rest and is such treasured by the average doctor of medicine and especially by his family, and

"Whereas, the religious convictions of many members of the Michigan State Medical Society and its delegates are opposed to conducting unnecessary business on Sunday; be it therefore

"RESOLVED: That the House of Delegates not meet on Sundays."

THE SPEAKER: This resolution will be referred to the Reference Committee on Miscellaneous Business.

XV—21. BY-LAWS, CHAPTER 16, SECTION 1 RE: DATE OF SUSPENSION FOR NONPAYMENT OF DUES

F. P. RHOADES, M.D. [Wayne]:

"Whereas, Chapter 16, Section 1 of the Michigan State Medical Society By-laws stipulates that any member who has not paid his dues and assessment by April 1 shall be suspended, and

"Whereas, during the past ten years there has been a 60 per cent increase in State dues and assessment plus the addition of American Medical Association dues, and

"Whereas, the State Society will not accept partial payment, and full payment before April 1 is a financial hardship for many physicians, and

"Whereas, confusion arises because the AMA does not list a member as delinquent until June 1, and

"Whereas, one of the objectives of the Michigan State Medical Society is to encourage ethical physicians to maintain membership, and such arbitrary suspension for nonpayment results in membership loss and creates antagonism; therefore, be it

"RESOLVED: That Chapter 16, Section 1 of the Michigan State Medical Society By-laws be amended by changing the date for suspension of members for nonpayment of dues from April 1 to June 1."

THE SPEAKER: This will be referred to the Reference Committee on Constitution and Bylaws.

XV—22. RECOGNITION OF PSYCHIATRICAL ILL PATIENT IN BLUE SHIELD'S M-75 CONTRACT

R. T. COSTELLO, M.D. [Wayne]:

"Whereas, the physicians of Michigan are being asked to support the proposed Seal of Assurance plan of Michigan Medical Service, which involves participation in the new Blue Shield Contract M-75, and

"Whereas, Blue Shield plan M-75 continues, as in prior contracts, to discriminate against subscribers who suffer from nervous or mental conditions by limiting medical care to thirty days, and

"Whereas, such distinctions in illnesses are inequitable, particularly in a medically sponsored plan and in view of the clinically recognized fact that many physical

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illnesses have concomitant emotional reactions and emotional illnesses are often manifested by physical symptoms, and

"Whereas, these distinctions in effect penalize the nervous or mentally ill patient and the physician who practices neurology or psychiatry because of the nature of the illness, and

"Whereas, Blue Shield Plan M-75 does not recognize in its fee structure either the additional education and training required for the medical specialties or the fact that a considerable amount of time is necessary for effective treatment of each psychiatric case, with the consequence that fees for psychiatric services are grossly inadequate and inequitable; therefore, be it

"RESOLVED: That the Michigan Medical Service Blue Shield Plan M-75 does not adequately meet the problem of the psychiatrically ill patient; and be it further

"RESOLVED: That this resolution be presented to the September meeting of the Michigan State Medical Society House of Delegates; and be it further

"RESOLVED: That this resolution be published in the Detroit Medical News and the Journal of the Michigan State Medical Society."

THE SPEAKER: This resolution will be referred to the Reference Committee on Medical Service and Prepayment Insurance.

XV—23. FUND RAISING—FEDERATED AND OTHERWISE

H. C. HANSEN, M.D. [Calhoun]: This is a resolution approved by the Michigan Cancer Co-ordinating Committee on May 13.

"Whereas, necessary financial funds are obtained by national (single disease) health organizations in one of two ways: (1) By independent campaigns, or (2) by federated fund raising, and

"Whereas, both of these systems have proven successful in achieving the similar purpose of gaining public financial support to the end that the important work of these health agencies is accomplished, and

"Whereas, the decision on what type of fund raising program to use must remain the sole prerogative of the individual national health agency; therefore, be it

"RESOLVED: That the House of Delegates of the Michigan State Medical Society approves in principle the right of all national voluntary (single disease) health organizations to utilize the type of fund raising program that best suits their individual purposes and program."

THE SPEAKER: This will be referred to the Reference Committee on Legislation and Public Relations.

XV—24. PROPOSED LAW TO REGULATE OPERATION OF AMBULANCES

H. W. HARRIS, M.D. [Ingham]:

"Whereas, transportation of the sick and injured is of vital concern to all citizens of the State of Michigan, and

"Whereas, it is of particular concern to the physicians of this State, and

"Whereas, there presently is no law in this State to require proper personnel or equipment or to properly regulate the speed of ambulances; therefore, be it

"RESOLVED: That the Legislative Committee of the Michigan State Medical Society be directed by this House of Delegates to use its influence to have introduced into the coming session of the Legislature of the State of Michigan the following proposal, and to press for its enactment as a law of this State, the proposal to be known as: An Act to regulate the operation of vehicles engaged in the business of transporting sick or injured persons; definition: to provide qualifications of drivers and attendants; to require certain equipment; to require inspection of equipment; to regulate the speed of am-

bulances; to provide penalty for the violation of this Act.

"Section 1—For the purpose of this Act, an 'ambulance' shall be defined to include any and all vehicles maintained and operated in the business of transportation of sick or injured persons.

"Section 2—It shall be unlawful for any person to conduct, maintain or operate an ambulance while transporting any sick or injured person unless such ambulance shall be under the immediate supervision and direction of a driver or attendant who has a certificate evidencing successful completion of a course equivalent to the Senior Red Cross course in first aid.

"Section 3—All vehicles maintained, operated or used as an ambulance in transportation of sick or injured persons shall be equipped with a first aid kit or box equivalent to the 24-unit American Red Cross kit, traction splints and bandages commonly used for the immobilization of long bones and the necessary temporary traction equipment.

"Section 4—All vehicles maintained and operated as ambulances shall be inspected at least twice each year by the county health commissioner or officer, or a deputy designated by him, or by some other person designated by the State Health Department to make such inspection as herein provided. The person making such inspection shall determine whether or not the ambulance is equipped with the necessary items above required, and shall determine whether such equipment is in proper and good condition for use.

"Section 5—Any person who operates an ambulance shall conform to all laws in respect to speed and other driver behavior; further, no driver or other attendant shall do any intentional act or thing to increase the seriousness of the illness or the severity of the injury of any person being transported by them. Nor shall they omit, neglect and/or refrain from doing any act or thing to properly aid such ill or injured person.

"Section 6—Any person who violates any provision of this Act shall be deemed to be guilty of a misdemeanor, and upon conviction shall be required to pay a fine not to exceed One Hundred Dollars (\$100) or shall be sentenced to serve a jail term of not more than ninety (90) days, or shall be required to pay a fine and serve a jail sentence at the discretion of the court."

THE SPEAKER: This will be referred to the Reference Committee on Legislation and Public Relations.

XV—25. EXPRESSION OF APPRECIATION TO RETIRING COUNCILOR J. F. BEER, M.D.

JOHN J. COURY, M.D., [St. Clair]:

"Whereas, J. F. Beer, M.D., has served St. Clair County Medical Society as a delegate for many years, and

"Whereas, during the past year he has served as Councilor for the Seventh District, and

"Whereas, it has been necessary for him to resign because of his health; be it therefore

"RESOLVED: That this House send a telegram of appreciation to him for his able work as a delegate and councilor to this Society."

THE SPEAKER: That will be referred to the Reference Committee on Resolutions.

XVI. REPORTS OF HOUSE OF DELEGATES COMMITTEES

XVI—1. REPORT OF PERMANENT ADVISORY COMMITTEE ON FEES

GROVER C. PENNERBY, M.D., [Wayne]: This Committee was set up following the introduction and passing of a resolution creating a Permanent Advisory Committee on Fees as presented to the House of Delegates in 1956.

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The first meeting was held on August 7, 1957, at which time the groundwork was discussed as regards procedure and function of this important Committee. At that time it was considered a part of the responsibility of the Committee to listen to demands of special groups that might have some questions regarding fee schedules. In general, this meeting was more or less a meeting of orientation.

The second meeting was held December 12, 1957, at which time there was full attendance except for one member. At this meeting the responsibility of the Committee was again discussed, and the Committee agreed to function with the Medical Care Insurance Committee, which was drawing up a relative value schedule of fees after the pattern set by the California Medical Association. This relative value schedule was to be developed on the unit values for the various Plans A, B and C.

No definite action was taken by the Committee at this time because again the function of the Committee had not been clearly defined and, further, the Medical Care Insurance Committee was still in the throes of developing the relative value schedule for Michigan.

The last meeting was held August 22, 1958, at which time there was a full attendance except for two members. At this time Dr. Foster reviewed The Council's delineation of duties of the various fee schedule committees as recommended by the Committee on Committees.

This action of The Council in defining the duties of the Committee was authorized at the meeting held at Mackinac Island in the month of July 1958. In the discussion with respect to procedures it was moved that since the Medical Care Insurance Committee had been working with and studying a relative value schedule, this Permanent Advisory Committee on Fees of the House of Delegates concurs with the action of The Council, and requests that the Medical Care Insurance Committee further study and develop a relative value schedule for Michigan and present its recommendations to this Committee (the Permanent Advisory Committee on Fees) for its consideration, evaluation and recommendation.

Letters were received from several groups posing questions relative to fees, and contents were noted. Following a full discussion of these inquiries, it was moved that, since the Permanent Advisory Committee on Fees would like to know the thoughts and feelings of official medical groups, an invitation be extended to the groups to present their views, and that a hearing might be arranged with the Committee studying the relative value schedule.

It might be further stated that a representative from the Permanent Advisory Committee on Fees has been invited to attend all meetings of the Medical Care Insurance Committee.

Respectfully submitted,
GROVER C. PENBERTHY, M.D., *Chairman*
JOSEPH F. BEER, M.D.
H. F. FALLS, M.D.
MAX L. LICHTER, M.D.
MILTON A. DARLING, M.D.
WILLIAM M. LEFEVRE, M.D.

THE SPEAKER: This report will be referred to the Reference Committee on Reports of Special Committees.

XVI—2. REPORT OF COMMITTEE ON COMMITTEES

G. B. SALTONSTALL, M.D.: This Committee, created to study the Michigan State Medical Society committee structure and to recommend a setup that would result in more efficiency with less expense, has held three meetings; its individual members have given much thought to the problem.

Matters discussed by the Committee included: (a) A proposed realignment with sixteen major standing committees as the basic reorganization plan; (b) term of all committees to run for the calendar year; (c) tenure

of office for all committee members; (d) each committee's scope and function to be spelled out briefly in the Bylaws; (e) that a committee on objectives or scope be formed.

The Committee on Committees adopted the following main categories for all MSMS committees:

- I Medical Services
- II Public Health and Public Agencies
- III Public Policy
- IV Medical Education
- V Professional Welfare

These categories were approved by The Council on July 18, 1958.

The Committee appraised overlapping committees on fee schedule and offered recommendations for improvement, which were adopted by The Council on July 18 and made effective in the committee structure for the 1958-1959 Society year.

A statement of the Chairman, as presented to the Committee on Committees on September 19, was accepted with thanks, with the recommendation that he, as President-elect, present the sentiments expressed therein as part of his Address to the 1958 House of Delegates.

Finally, due to the enormity of this task, it is the sense of the Committee that it be allowed to continue its research and make interim reports of its progress to The Council and the House of Delegates.

Respectfully submitted,
G. B. SALTONSTALL, M.D., *Chairman*
G. W. SLAGLE, M.D.
L. FERNALD FOSTER, M.D.
K. H. JOHNSON, M.D.
D. BRUCE WILEY, M.D.

THE SPEAKER: Thank you, Dr. Saltonstall. This report will be referred to the Reference Committee on Reports of Special Committees.

[The Vice Speaker assumed the Chair].

XVII. REPORTS OF STANDING COMMITTEES

XVII—1. COMMITTEE ON POSTGRADUATE MEDICAL EDUCATION

XVII—2. PREVENTIVE MEDICINE COMMITTEE AND ITS SUB-COMMITTEES

XVII—3. PUBLIC RELATIONS COMMITTEE AND ITS SUB-COMMITTEES

XVII—4. ETHICS COMMITTEE

XVII—5. LEGISLATIVE COMMITTEE

THE VICE SPEAKER: We will proceed to reports of MSMS standing committees. The reports are all in the Delegates' Handbook, on pages 104 to 137. They will be referred to the Reference Committee on Standing Committees.

XVIII. REPORTS OF SPECIAL COMMITTEES

XVIII—1. SCIENTIFIC RADIO COMMITTEE

XVIII—2. ADVISORY COMMITTEE TO WOMAN'S AUXILIARY

XVIII—3. ADVISORY COMMITTEE TO MICHIGAN STATE MEDICAL ASSISTANTS SOCIETY

The reports of these committees will be referred to the Reference Committee on Special Committees.

XIX. SUPPLEMENTAL ANNUAL REPORT OF MEDICAL CARE INSURANCE COMMITTEE

THE VICE SPEAKER: We shall now hear the supplemental report of the Medical Care Insurance Committee. This report was reviewed by The Council and was referred to the House of Delegates.

M. L. LICHTER, M.D.: The report I am giving presents background material regarding prepayment insurance. Copies of this report are being distributed so that you may examine the material both as I read it and at your leisure.

SUPPLEMENTAL REPORT

This report outlines what the Michigan State Medical Society and its voluntary medical prepayment plan—Michigan Medical Service—have done to implement the recommendations concerning acceptable medical prepayment plans adopted without dissenting vote by the House of Delegates at the annual meeting of September 23, 1957.

These recommendations, in short, spelled out the ground-rules which a prepayment program must follow to be acceptable to the Michigan State Medical Society as the representative of the doctors of medicine of Michigan.

This "formula" for an approved medical prepayment program was divided into four major areas:

1. General Considerations.
2. Commitments by the Michigan State Medical Society.
3. Principles to be Embodied in Insurance Contracts.
4. Basis of Service Benefits.

Michigan Medical Service, as specifically urged in the Principles, developed a program which embodied these stipulations. It was worked out step-by-step in continuous cooperation with the Medical Care Insurance Committee of MSMS. Upon approval by that committee, it was forwarded to the Council of MSMS, which endorsed and approved the contract on behalf of MSMS. This was the procedure outlined in the Principles of the House of Delegates.

Since the introduction of this new Michigan Medical Service program—called the Blue Shield M-75—a number of physicians have indicated they feel it violates certain basic principles of medical prepayment. In fact, they feel it is a departure from the basic objectives of the Michigan State Medical Society in the organization of Michigan Blue Shield in 1940.

This is simply not fact, as this report will show point-by-point. We can only assume that the feelings of these individual physicians stem from a misunderstanding or misinterpretation of both the basic principles upon which Michigan Blue Shield was founded in 1940 and upon the implementation and clarification of the Principles as adopted by the House of Delegates at the last annual meeting on September 23, 1957.

GENERAL CONSIDERATIONS

This is a good point at which to quote some of the *General Considerations and Principles to be Embodied in Prepayment Contracts*—highlighting the "safeguards to the public" and "safeguards to the medical profession" that are contained.

Here's what is stated under General Considerations:

"The Michigan State Medical Society has made an intensive study of the development and the operation of the many means currently employed both in Michigan and elsewhere to insure against or to prepay the cost of medical care. The conclusions resulting from that study are set forth below and are based upon the following fundamental considerations:

1. The people of Michigan are entitled to and should have health care which meets the highest standards attainable.

2. Means should be generally available in Michigan which will permit the financing of the costs of necessary medical services and supplies to the greatest extent possible and practicable through prepayment.
3. To whatever extent the cost of a particular medical service is not covered by prepayment, such uncovered amount shall be predictable, be known to the patient in advance, and be within his ability to budget for out of income.

The foregoing can be accomplished only if those responsible for rendering the necessary medical services, namely the physicians of Michigan, assume the further responsibility of establishing within the profession a structure around which sound insurance or prepayment plans can be built and also a system by which the profession can assure itself, the prepayment plan subscribers, and the underwriters that the structure is functioning in accordance with its commitments."

Now here are excerpts that contain two separate sets of "safeguards"—safeguards for the public and safeguards for the medical profession.

First, the public safeguards:

- "1. Any contract offered by an insurance carrier or prepayment plan organization which embodies the principles set forth in Section C. herein shall receive the endorsement of the Society, provided the carrier issuing this contract shall stipulate it will not offer any prepaid medical care contract which is preferential or discriminatory in its rating. This endorsement shall remain in effect as long as the carrier continues to make such contracts available and keep the stipulation in effect.
- "2. It being the objective of the medical profession to make certain that voluntary health protection be available to all self-sustaining people at reasonable cost, the endorsement of the Michigan State Medical Society will be given only if rates charged by the insurance or prepayment carrier are fair and equitable and non-discriminatory.
- "3. The Society will use its best efforts to secure the participation of its members in all contracts endorsed by the Society.
- "4. A subscriber rendered care by a participating physician will receive 'service benefits' as provided in his contract."

Second, the safeguards for the medical profession:

- "5. The Council of the Michigan State Medical Society will appoint a Medical Care Insurance Committee having the following functions:
- (A) To examine all contracts submitted for endorsements. A report will be sent to The Council which will have the authority to issue a certificate of endorsement on behalf of the Society.
- (B) To cooperate with the Permanent Advisory Committee on Fees of the House of Delegates concerning the Relative Value Scale and applicable unit values.
- (C) To develop review procedures for any matters concerning the subscriber, the physician, the insurance carrier, and others.
- (D) To develop Review Committees in each of the Councilor Districts of the Society, nominated locally, which shall be appointed by The Council of the Michigan State Medical Society. These shall function under the direction of the Medical Care Insurance Committee, which will also serve as a unit to which appeal can be made from decisions of the Review Committee(s).

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(E) To make such interpretations of the language herein as may be required in connection with the endorsement of contracts.

- "6. Amendments to or interpretations of the principles set forth in the language herein may be made by The Council of the Michigan State Medical Society during the interim between meetings of the House of Delegates of the Michigan State Medical Society.
- "7. The Michigan State Medical Society will develop a 'Relative Value Scale' which will assign to the individual surgical, obstetrical and other medical services a value in units proportional to the relative value of that service. The Society will determine the applicable value of one unit for each class of benefit. By multiplying the number of units assigned to a procedure by the value of one unit, the 'Dollar Allowance' for that procedure is obtained. (No. 1, Sec. D)
- "8. For any optional benefits offered by a carrier, the Society will establish appropriate unit values." (No. 2-C, Sec. D)

An additional safeguard—which is both a safeguard for the public and for the medical profession—is stated in Number 1, Section C:

"There must be complete freedom of choice of physician by the patient. Nothing in any contract will imply any restriction of this principle."

The Judicial Council of the American Medical Association had this to say about freedom of choice of physician in its 1947 Report on Principles and Ethics:

"... It also expressly requires that any qualified, licensed physician residing in the area in which the plan operates be allowed to participate. Thus we see that to be a participating doctor in a voluntary plan it is not necessary for one to be a member of the American Medical Association."

"It is, however, necessary for him to accept and obey the terms of the contract offered by the plan, and on violation of the terms he may be dropped from the rolls, if the violation seems sufficiently grave for such action."

"It is needless for us to remind members that any violation of this provision would indeed deprive the public of the choice of a great many physicians. As the voluntary plans are intended to cover and supply sufficient medical care of a high quality for the whole country, with no feature of a compulsory system, it is necessary that the principle be strictly observed."

Now we come to the Blue Shield M-75 contract itself. Michigan Medical Service followed the Principles of the House of Delegates. The material you have clearly demonstrates this.

It is presented by taking pertinent portions of the Principles and matching them with the corresponding part of the contract. If you examine this next section at your leisure on this most important point, you will see that the contract follows the Principles in meticulous detail.

COMMITMENTS BY THE MICHIGAN STATE MEDICAL SOCIETY

In light of the foregoing, the Michigan State Medical Society undertakes the following commitments:

1. Any contract offered by an insurance carrier or prepayment plan organization which embodies the principles set forth in Section C. herein shall receive the endorsement of the Society, provided the carrier issuing this contract shall stipulate it will not offer any prepaid medical care contract which is preferential or discriminatory in its rating. This endorsement shall remain in effect as long as the carrier continues to make such contracts available and keep the stipulation in effect.
2. It being the objective of the medical profession to make certain that voluntary health protection be available to all self-sustaining people at reasonable

cost, the endorsement of the Michigan State Medical Society will be given only if rates charged by the insurance or prepayment carrier are fair and equitable and non-discriminatory.

SUBSCRIPTION RATES

Section 9

The subscriber agrees to pay Blue Shield monthly in advance, unless otherwise provided, for the services of the class designated upon his Application card and indicated by his Identification Card, at the following rates:

	Employment Plan "A"	Group Plan "B"	Rates Plan "C & D"
Individual	\$1.80	\$2.13	\$2.44
Two Person	\$4.65	\$5.45	\$6.25
Family	\$5.57	\$6.62	\$7.67

Blue Shield reserves the right to change the above rates on thirty (30) days' written notice to the subscriber; such change of rates to become effective on the date fixed in the notice, unless the subscriber notifies his employer or remitting agent prior to the effective date of such notice of his decision to terminate this contract.

3. The Society will use its best efforts to secure the participation of its members in all contracts endorsed by the Society.
4. A subscriber rendered care by a participating physician will receive "service benefits" as provided in his contract. The basis is set forth in Section D below.

PARTICIPATING PHYSICIAN (J) "Participating Physician" is a physician who is legally qualified and licensed to practice medicine and perform surgery in the State of Michigan and who has entered into an agreement to provide services to Michigan Blue Shield members under the Blue Shield plan of operation.

NON-PARTICIPATING PHYSICIAN (K) "Non-Participating Physician" is any physician who is legally qualified and licensed to practice medicine and perform surgery at the time and place services are rendered but who has not entered into an agreement to provide services to Michigan Blue Shield members under the Michigan Blue Shield plan of operation.

PRINCIPLES TO BE EMBODIED IN INSURANCE CONTRACTS

1. There must be complete freedom of choice of physician by the patient. Nothing in any contract will imply any restriction of this principle.
Michigan Medical Service does not undertake to supply a physician for the Subscriber or enrolled dependent(s).
3. The following services must be included in any basic program:

Services and Benefits—Class I

- (A) Surgical procedures wherever performed.
A. Surgical Services: generally accepted operative and cutting procedures rendered by the physician in charge of the case for the necessary diagnosis and treatment of disease or injury and of fractures and dislocations, including usual, necessary and related pre-operative and post-operative care, and including as a part of such service anesthesia customarily administered by a physician in charge of the case.
Post operative care shall be limited, however, to the period of hospitalization of the member, or to a period of not more than fourteen (14) days following surgery, whichever is greater.
- (B) Medical services when the patient is confined to a hospital.
C. Medical Services: services rendered by the physician in charge of the case for any condition other than surgical or obstetrical services, when and for

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which the member is required to be and is admitted as a bed-patient in a hospital. Medical services will be provided concurrently with surgical or obstetrical services or during the same hospital admission only when Blue Shield shall determine that such concurrent services are necessary, unrelated to surgical or obstetrical services, and different in kind and nature from that customarily rendered and considered to be surgical or obstetrical service.

- (D) Obstetrical services for the actual procedure in normal delivery. Caesarean section or abortion and complications of pregnancy, but not to include routine pre-natal and post-natal care.

B. Obstetrical Services: rendered by the physician in charge of the case, but not including services customarily rendered as pre-natal or post-natal care. Such services rendered due to any condition of pregnancy, except ectopic pregnancy, shall not be a benefit unless and until this contract shall have been in force for nine consecutive months prior to, and in force on, the date such service is rendered.

- (E) Anesthesia by a physician not an employee of a hospital.

D. Anesthesia Services: the services of a physician anesthetist, other than the physician in charge of the case, when required by and rendered in relation to services being received under the provisions of this section as surgical, obstetrical or medical. Anesthesia service rendered by an employee of a hospital and anesthesia service such as is customarily rendered by a physician in charge of the case is excluded as a benefit hereunder.

Services and Benefits—Class II

- (C) Consultation service in the hospital; surgical assistants where required.

(D) Consultation Services, except staff consultations required by hospital rules or regulations, but only while the member is a hospitalized bed-patient, for a condition requiring special skill or knowledge, as assistance in diagnosis or treatment to the physician in charge of the case, limited to one such medical, surgical or obstetrical bedside consultation during each period of continuous hospitalization.

(E) Technical Surgical Assistance by a physician to the physician in charge of the case, when deemed by Blue Shield to be required, and when related to services being received by the member under the provisions of Section 2 paragraphs A and B hereof, while the member is a hospitalized bed-patient within the State of Michigan and at such times as and in such hospitals when and wherein such surgical assistance is not routinely available as a service provided by a hospital interne, resident or house officer. Routine availability of such services in such hospitals at such times, and whether the nature of the surgery is such as to require technical assistance shall be determined by Blue Shield and its determination shall be conclusive.

- (F) Diagnostic laboratory procedures shall be provided in the out-patient department of a hospital, a private laboratory, in the physician's office (screening procedures are excluded).

(G) Diagnostic Services, required in diagnosis of disease or injury: 1. electrocardiograms, electroencephalograms, and basal metabolism tests and; 2. laboratory tests, when performed in the offices of a physician or in the out-patient department of a hospital. The services set forth in this paragraph (G) are excluded as a benefit to the extent that they may be a benefit to the member under the terms of any contract issued by any hospitalization expense plan.

- (G) Diagnostic and therapeutic radiologic procedures shall be provided in the hospital, the out-patient department, or in the physician's office.

(a) Radiological Diagnostic Services, excluding miniature x-ray plates, screening procedures, and procedures not directly related and necessary to diagnosis.

(b) Radiological Therapeutic Services utilizing generally accepted therapy (such as x-ray, radon, radium and isotopes), for the treatment of malignancies, tumors of bones, brain or spinal cord (hemangiomas, vascular nevi, lymphomas, leukemia, and thyroid disease).

- (A) For any necessary service other than in-hospital medical care, surgical care, obstetrical care and anesthesia, the subscriber shall have, at the time of utilization, a degree of financial participation in and responsibility for medical fees in addition to his premium. This shall be determined by the carrier but the responsibility of the patient shall be not less than 10 per cent or \$5.00, whichever is more, but not in excess of the scheduled fee allowance. In accordance with the terms of the contract, this amount shall become the obligation of the patient to the physician at the time of service and will be subtracted by the carrier from the payment for service it shall make to the physician. For any calendar year, however, patient participation shall not exceed the following:

Contract for which Eligible	Limit of patient Participation Per Year
A	\$25
B	50
C	75

(2) MEMBER'S LIABILITY: A member receiving Class II Services shall be liable to pay the physician in respect of each such service rendered the greater of (a) \$5.00 or (b) ten per cent of the applicable schedule fee for such service, but not more than the amount of such scheduled fee; however, if during any period of one year, not including any part of any other such period, while this and previous contracts are continuously in effect, there shall be incurred and paid in discharge of such member's liability, in respect of such Class II Services received by any one member a total aggregate amount in excess of: under plan "A," \$25.00; or Plan "B," \$50.00; or Plan "C," or Plan "D," \$75.00; Blue Shield will, upon receipt of evidence of such excess payment satisfactory to it, refund such excess amount to the member. The excess amount aforesaid shall be separately computed as to each member whether or not a dependent.

If a member shall claim refund for payments made in respect of members liability paid during a one year period in which the member has been entitled to services under more than one Plan (A, B, C or D) and the Plan in effect at the end of such period shall provide the lower aggregate, then any amount paid during such year by the member against the higher amount provided by the prior Plan, shall be credited against the lower aggregate up to but not in excess thereof.

6. There shall be three contracts to be known as Plans A, B, C. Each of these contracts shall apply to a specific income level and will provide service benefits. The income level shall be determined by a projection of the current rate of earnings of the basic wage-earner in the family and not by family income.
- (A) Plan A. will provide full service benefits to all subscribers whose basic income is less than \$2500.
- (B) Plan B. will provide full service benefits for those subscribers whose basic income is \$2500 but less than \$5000.
- (C) Plan C. will provide full service benefits for those subscribers whose basic income is \$5000 but less than \$7500.

DIGEST OF PROCEEDINGS, HOUSE OF DELEGATES

Those subscribers whose income is in excess of \$7500 may purchase only Plan C. In this event the total fee shall be the result of agreement between the patient and his physician. The Plan will pay the applicable "Dollar Allowance" to the physician.

PLANS A, B, C and D (M) Plan "A" is the contract in effect with a subscriber whose annual income is less than \$2,500.00;

Plan "B" is the contract in effect with a subscriber whose annual income is not less than \$2,500.00 but less than \$5,000.00;

Plan "C" is the contract in effect with a subscriber whose annual income is not less than \$5,000.00 but less than \$7,500.00;

Plan "D" is the contract in effect with a subscriber whose annual income is not less than \$7,500.00.

7. The insurance carrier shall be responsible for classification of subscribers and appropriate designation of the Plan in which they must be enrolled. Income designation shall reflect the subscriber's current rate of pay projected on an annual basis. This designation shall be reviewed annually and changed as indicated by the review.

ANNUAL INCOME (L) "Annual Income" is the rate of pay of the subscriber at the place of employment where he became a member, effective on the date of application to Blue Shield and upon renewal of each succeeding anniversary date assigned by Blue Shield to subscribers enrolled at that place of employment computed as follows:

In the case of hourly rated employees, the base hourly pay rate including cost of living allowance, if any, extended by 2080 hours;

In the case of salaried employees the rate of salary including cost of living allowance, if any, extended by an appropriate number of days, weeks or months to equal one year;

In the case of employees paid on a commission or incentive basis, the amount earned by the subscriber at such place of employment in the twelve months period prior to such application or anniversary, or if there employed less than twelve months an amount equivalent to the average earned by all employees there similarly so employed, or an amount determined by such other method as may be agreed upon.

2. All benefits will be on a service basis consistent with the principles set forth in Section D, except where a subscriber voluntarily occupies a private room in a hospital.

BASIS OF SERVICE BENEFITS

1. The Michigan State Medical Society will develop a "Relative Value Scale" which will assign to the individual surgical, obstetrical and other medical services a value in units proportional to the relative value of that service. The Society will determine the applicable value of one unit for each class of benefit. By multiplying the number of units assigned to a procedure by the value of one unit, the "Dollar Allowance" for that procedure is obtained.
2. (A) The Michigan State Medical Society will establish unit values for medical, surgical and obstetrical procedures and anesthesia for each of the Plans.
(B) For diagnostic laboratory procedures and for all radiologic procedures, the unit value will be the same for all Plans.
(C) For any optional benefits offered by a carrier, the Society will establish appropriate unit values.
3. Until the Michigan State Medical Society establishes a "Relative Value Scale," the scale developed by the California Medical Association shall be used.
4. No participating physician may charge more for a particular service rendered a subscriber than the

"Dollar Allowance" payable for that service under the subscriber's contract. A subscriber covered by Plan C., whose income is designated as in excess of \$7500, however, shall be responsible for any part of fees to which he agrees with his physician in excess of the applicable "Dollar Allowance."

Charges by Physicians

Section 5

PARTICIPATING: Participating physicians rendering services to members under Plans A, B, and C will make no charge to the member for any service to which the subscriber is entitled hereunder, except as provided in respect to Class II Services, and except as provided below. Participating physicians may at their option render services under Plan D with or without charge to the member.

Participating physicians may make a charge to any member:

(1) If the member shall request and occupy private room accommodations in the hospital. This exception (1) shall not apply to a member who is involuntarily compelled by nature of illness and on the order of the physician in charge of the case to be placed in such private room.

(2) If the member shall be entitled to recover damages by reason of, or reimbursement for the cost of, the services or for the injury, accident or condition occasioning the services, except from insurers on policies of insurance issued to and in the name of the subscriber, the payment made to the physician by Blue Shield shall be considered to be on account of the reasonable value of the services, and the difference, if any, between such reasonable value and the amount paid by Blue Shield shall be a liability of the member to the physician payable out of such damages or reimbursement if, as and when recovered by the member. Such additional charge, if any, shall be the liability of the member and not of Blue Shield.

(3) If the member shall be entitled to benefits under Plan D: In the event conditions (1), (2) or (3) above apply, Blue Shield will pay the participating physician for services rendered, its then prevailing scheduled fee. Payments as provided in Section 3 paragraph (2) hereof, and the additional charge, if any, shall be the liability of the member.

NON-PARTICIPATING: If, in an emergency, the member shall utilize the services of a non-participating physician, the obligation of Blue Shield shall be limited to payment of an amount not in excess of the lesser of the physician's charge or the applicable scheduled fee, for such service subject to all the terms, limitations and conditions as would apply had the services been rendered by a participating physician and further subject to receipt by Blue Shield of reports of such services rendered, as required of participating physicians under Section 10, within ninety (90) days of rendition of such services.

Extension of the income ceiling to \$7,500 does NOT extend service benefit coverage to any larger segment of the population of Michigan than did the original \$2,500 plan in 1940 and the \$5,000 plan in 1950.

The charts on the following page show graphically that the per cent of families who will now fall under a \$7,500 ceiling is virtually the same as that percentage who have received service benefits over the years. THE IDEA IN 1940 AND 1950—AS NOW—WAS TO PROVIDE SERVICE BENEFITS TO THE MAJORITY OF PEOPLE IN MICHIGAN.

In short, the new program constitutes NO DEVIATION from the original and long-established principle of the medical profession in Michigan and Michigan Blue Shield in relation to the percentage of people who fall under service benefit coverage.

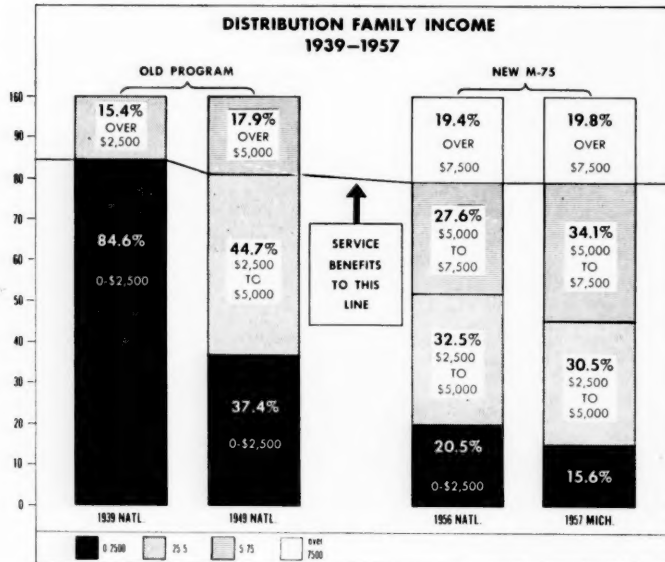
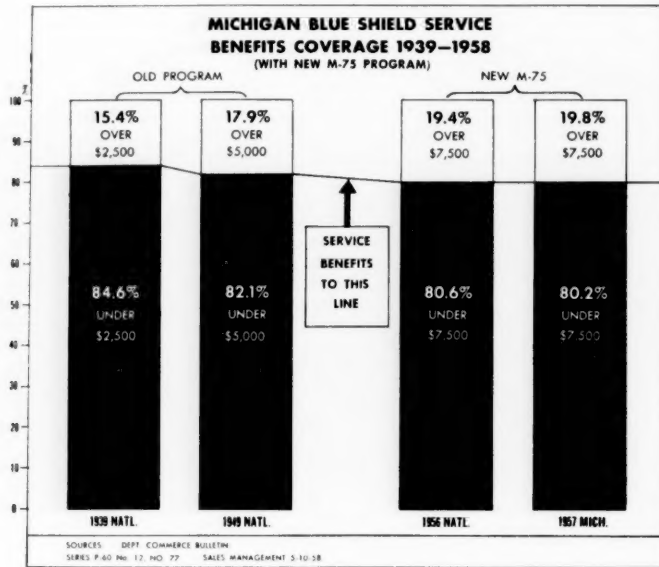
The answers to two specific questions in the Doctor-Opinion Survey of last year verify this:

DIGEST OF PROCEEDINGS, HOUSE OF DELEGATES

To the Question: "Do you believe Michigan Medical Service's Medical Service Principle should be available only to low income groups (Under \$5,000 income)?" the answers were 83.1 per cent who said they did NOT think it should be so limited.

In the matter of establishing an income ceiling above \$5,000, Michigan and Michigan Medicine is not pioneering in establishing a pattern.

It is just catching up to the pattern already established



And to the Question: "Would you favor placing the income limit in a new Michigan Medical Service Contract at \$7,500 if the present \$5,000 income limit fee schedule were raised by 32 per cent?" the answers were YES by 68.1 per cent.

by half the other Blue Shield Plans in the U. S. and Canada.

Right now thirty-six of the seventy-two Blue Shield Plans have income ceilings in excess of \$5,000, as reported by the National Blue Shield executive office.

DIGEST OF PROCEEDINGS, HOUSE OF DELEGATES

Here's how they line up:

Full-service regardless of income.....	8
Income Limits, \$7,000 to \$10,000.....	11
Income Limits, \$6,000 to \$6,800.....	17
TOTAL WITH INCOME LIMITS above \$5,000.....	36

Although the M-75 contract offers service benefits under three separate re-evaluated fee schedules (\$2,500, \$5,000 and \$7,500) which supposedly embrace about 80 per cent of the population, it does not follow that 80 per cent of a participating doctor's practice is governed by this program. The accompanying chart presents the actual facts as they are today.

First of all, present Michigan Blue Shield enrollment covers about 47 per cent of the state's population. This leaves 53 per cent not covered.

In addition, the maternity benefit under this program is not in fact, a true service benefit. The actual delivery fee is, but *pre and post natal care*—an integral and substantial factor in the care and management of an obstetrical case—is *not* covered by the program.

The 1957 Blue Shield figures show that 15.6 per cent of total services were for delivery. Relate that to enrollment—just under half the population—and it means 7.5 per cent of a doctor's patients are *NOT* subject to straight service benefits in this maternity area.

Add this to the 53 per cent who are *not covered* at all by the program, and the average per cent of patients not subject to the service provision is up to 60.5 per cent. Add to that the 19.8 per cent whose income, according to the Sales Management figures, exceeds \$7,500, and it means another 10 per cent not subject to service benefits in Blue Shield enrollment.

Thus, final figures show that *actually on the average only 30 to 35 per cent of a doctor's practice (patients) is actually subject to service benefits.*

Now this would seem to be a good point at which to review the method which the Principles state shall be used to determine income ceiling classification. It is on the basis of the subscriber's annual rate of earning and assigning him to the program which matches that earning rate.

Remember, this is reviewed *each year*, and it is based on the subscriber's *hourly rate* times 2,080 hours (which makes the broad assumption that he will be working forty hours a week, fifty-two weeks each year).

There were glaring weaknesses in the previous method of determining whether or not a patient was eligible for service benefits.

First of all, up to now, the subscriber had a choice of income ceiling plans regardless of what his income might be. The fact that a patient had a \$2,500 income coverage was no indication—let alone a guarantee—that his annual income was below that figure. This left the matter of whether a patient actually qualified for service benefits entirely up to the doctor. And by and large, there was no adequate method for him to make such a determination.

He could guess or he could ask the patient. Neither method is particularly accurate. Or conceivably he could require his patients to sign a legal affidavit of family income, which would not lead to the best patient relationship.

The Doctor-Opinion Survey last year seemed to bear this out. In answer to the question:

"Do you want Michigan Medical Service (Blue Shield) to be responsible for informing doctors regarding income categories of all Blue Shield subscribers?" *61.4 per cent said YES—devise some method to do that.*

As we saw in the comparison of the Principles to the M-75 contract, the method was spelled out:

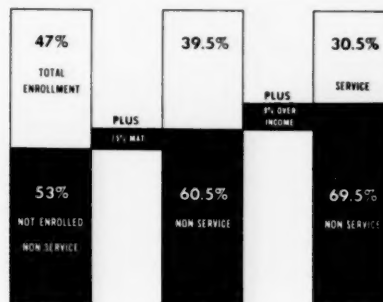
"The income level shall be determined by a *projection of the current rate of earnings of the basic wage-earner in the family and not by family income.*"

Now this is reviewed each year, and if the hourly rate times 2,080 hours puts him into a higher or lower income

ceiling category, the subscriber is automatically placed in that new category.

Thus, the doctor knows from his patient's Identification Card Service Number not only what his income ceiling plan is, but is assured that this reflects his *projected* annual income accurately *as of the time of service.*

1957 ESTIMATED AVERAGE PERCENT OF A DOCTOR'S PATIENTS NOT ENTITLED TO SERVICE BENEFITS



There are bound to be some inequities in this arrangement. There will be cases where the subscriber is not the sole wage earner in the family and where family income is in excess of what his wage projection alone indicates.

The best available figures, however, indicate that this additional income is usually not enough to change the income category based on projected earnings in the vast majority of cases.

For every subscriber, for example, who has an income of about \$7,200 (entitling him to service benefits) but who has a working wife whose contribution would place the family income over \$7,500, there are many subscribers without working wives whose income is about \$5,100 a year. On these, the doctor is entitled to and gets benefits reflecting an income level of up to \$7,500 a year because that is the Plan into which the \$5,100 yearly wage projection puts the subscriber.

In the main, it can be assumed that these "inequities" pretty much cancel each other out.

Let us take a look at some data pertaining to this problem of working wives and what total effect they have on family income.

For example, the April, 1958, Report of the U. S. Department of Commerce on Consumer Income (Series P-60, No. 27) reports that in 27 per cent of all husband-and-wife families, the wife works *to some extent.*

That sounds like an impressively large figure until you realize it is qualified by the phrase: *to some extent.* That changes the picture considerably.

The Federal Reserve Bulletin for August, 1957, reported in its study that: "*The high frequency of low income shown for wives reflects the prevalence of part-time and part-year employment.*"

Remember that the wife works in only 27 per cent of these husband-wife families and the Federal Reserve Bulletin goes on to say:

"*Only one-third of all employed wives worked full-time throughout the year.*"

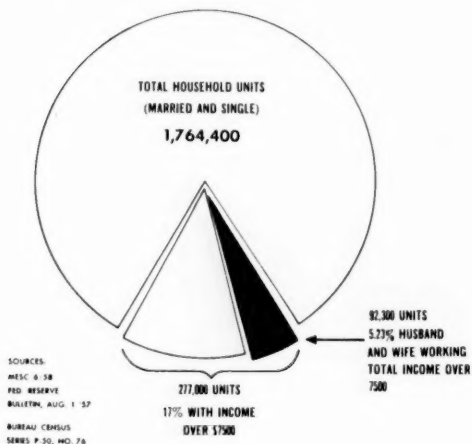
The other two-thirds worked only part-time, meaning that of all husband-wife families, *only about 10 per cent involved a full-time working wife.*

From the tables in the same April, 1958, Report of the U. S. Department of Commerce referred to above, here is how *median income* is affected by the working wife where the husband is an all-year-round worker:

DIGEST OF PROCEEDINGS, HOUSE OF DELEGATES

All Husband-Wife Families (average of all where wife works and does not work)	Median Income, 1956
When Wife Works	\$5,561
When Wife Does Not Work	\$6,575
	\$5,244

THIS SHOWS PERCENT OF MICHIGAN HOUSEHOLDS OVER \$7,500 INCOME WHERE HUSBAND AND WIFE BOTH WORK



This shows that in families where the wife works, her median contribution is about \$1,339. WHAT IS SIGNIFICANT IS THAT THIS MEDIAN INCOME RANGE FALLS WELL WITHIN THE SAME BLUE SHIELD INCOME RANGE (PLAN C, \$5,000-\$7,500) WHETHER THE WIFE IS WORKING (\$6,575) or NOT WORKING (\$5,244).

But let's carry it one step farther. Out of the total number of Michigan Spending Units, what percentage of these Spending Units which exceed the Service Benefit Ceiling of \$7,500 are Husband-Wife Units where the wife is working and thus her income could be responsible for family income exceeding the \$7,500 ceiling?

These figures were derived from:

1. The June 15, 1958, Report of the Michigan Employment Security Commission, which showed the total number of Non-Farm Wage and Salary Workers employed in Michigan and the number and per cent who were male and female.
2. Table No. 1, Bureau of Census Report, Series P-50, No. 76. It was used to determine what percentage of employed females were married, living with spouse and employed and the remaining per cent who were single, widowed, divorced or separated and employed. These national figures were applied to Michigan work force to determine the numbers as applied to the Michigan work force.
3. Ratios of per cent of these various categories whose incomes exceeded \$7,500 taken from the Federal Reserve Bulletin, August, 1957, Supplementary Table 2, based on a study survey of Consumer Finances in co-operation with the Survey Research Center of the University of Michigan.

Here is what they show:

1. Approximately 17 per cent of all spending units have income over \$7,500. (A spending unit is a household (representing single or married families).)
2. But the only possible area of Spending Units not

accurately reflecting the limitations of the \$7,500 income ceiling on the basis of subscriber rather than "family" income are the Spending Units classified as "husband-and-wife, both employed." Here there is the possibility that it is the additional income of the wife (or husband) that puts this unit in the "over \$7,500" bracket while the income of the subscriber would indicate he was entitled to service benefits.

The figures show that 304,600 Spending Units out of the total of 1,764,400 are units in which the husband and wife are both working. And of that 304,600 husband-wife working group, 92,300 units are in the over-\$7,500 bracket.

Thus out of the total of 1,764,400 Spending Units, only 92,300/1,764,400 or 5.23 per cent are in the over-\$7,500 bracket that could possibly be getting service benefits to which they might not be entitled on the basis of the subscriber income alone.

Details, derivation and sources of these figures are carried on the following tables.

NON-FARM WAGE AND SALARY WORKERS IN MICHIGAN

June 15, 1958

Source: Michigan Employment Security Commission

Area	Total Male and Female	Female
Detroit	1,114,000	300,400
Battle Creek	42,600	12,100
Bay City	24,700	7,400
Benton Harbor	36,000	12,200
Flint	104,200	24,100
Grand Rapids	104,800	37,000
Jackson	36,000	11,000
Kalamazoo	50,000	13,900
Lansing	66,900	20,400
Muskegon	43,800	11,900
Port Huron	24,100	6,600
Saginaw	50,900	12,100
Upper Peninsula	65,600	15,200
Sub-total	1,763,400	484,300
Other areas	305,600	93,900*
Total state	2,069,000	568,200**

*Estimated, based on ratio of female workers for specified areas (484,300/1,763,400 equals 27.46 per cent).

**Includes estimate for "other areas."

Not only was the method of determining and assigning income ceilings changed, but a relative value unit scale was used to develop three new fee schedules—a \$2,500, a \$5,000 and a \$7,500.

Application of the relative value unit method resulted in a fee schedule with average increases in fees in the surgical schedules of:

21.3% in the \$2,500 surgical fee schedule
12.5% in the \$5,000 surgical fee schedule
34.9% in the new \$7,500 surgical fee schedule over the old \$5,000 schedule.

Application of this relative value unit method to fees for medical-in-hospital benefits resulted in similar average increases:

<i>Under the \$2,500 Schedule</i>
15.0% increase for the average 10-day stay
22.9% increase for 20-day stay
18.0% increase for 30-day stay
<i>Under the \$5,000 Schedule</i>
11.7% increase for the average 10-day stay
17.5% increase for 20-day stay
12.2% increase for 30-day stay
<i>Under new \$7,500 Schedule (over old \$5,000)</i>
33.9% increase for the average 10-day stay
41.0% increase for 20-day stay
34.6% increase for 30-day stay

Important: Note that the new \$7,500 surgical schedule is 34.9% higher than the old \$5,000 schedule and is 33.9% higher for in-hospital medical care.

This more than meets the requirements in Question No. 21 in the Doctor-Opinion Survey we cited earlier: That 68.1 favored a \$7,500 income ceiling if fees were 32% above the old \$5,000 schedule.

SUPPL. JMSMS

DIGEST OF PROCEEDINGS, HOUSE OF DELEGATES

Total female non-farm employment in Michigan as of June 15, 1958.....	568,200(a)
Single, widowed, divorced or "separated" women in employment.....	46.4%(b)
Per cent of total female employment.....	263,600(c)
Number.....	53.6%(b)
Married women, living with spouse, in employment.....	304,600(c)
Per cent of total female employment.....	
Number.....	

ESTIMATED NUMBER OF UNITS BY AMOUNT OF ANNUAL INCOME OF FAMILY OR SPENDING UNIT

	All Income Amounts	Under \$7,500	\$7,500 & Over
Single persons:			
Male (22.5%) (b)	337,700	579,700(d)	21,600(d)
Female	263,600		
Married persons:			
Husbands and wives, both working	304,600	212,300(d)	92,300(d)
Husbands only working (77.5%)	858,500	695,400(d)	163,100(d)
Total spending units	1,764,400	1,487,400	277,000

CONCLUSIONS

- Approximately 17 per cent of all spending units have income over \$7,500 a year (277,000/1,764,400).
 - Of all spending units, "working-wife" families represent only 5.23 per cent of the total spending units where annual income exceeds \$7,500 (92,300/1,764,400).
- (a) Source, Michigan Employment Security Commission.
(b) Table No. 1, Bureau of Census Report, Series P-50, No. 76.
(c) Derived.
(d) Based on ratios developed from Federal Reserve Bulletin, August, 1957, Supplementary Table 2, p. 892.

Now let us see what these two important changes—assignment of subscribers to income ceilings and increases in the fee schedules—mean in terms of changes in the distribution of enrollment within these income ceilings and how it will affect benefit payments to doctors.

All these calculations are based on the conversion of all subscribers to the M-75 Plan.

Let's take redistribution of enrollment first:

Remember that under the old Program, there are only two income classifications—\$2,500 and \$5,000—and that the subscriber has his choice of either regardless of his income. His choice does not necessarily reflect his income and the figures for enrollment under the old Program as of the end of 1957 certainly reflect that, when compared with the best available breakdown of income status for Michigan families—(the report by *Sales Management* of family income for 1957 in Michigan as reproduced below).

In 1957, under the old Program 41.3 per cent of Michigan Blue Shield members were enrolled under the \$2,500 income contracts and 58.7 per cent under the \$5,000 income contracts. This is at wide variance with the actual income distribution of Michigan families as indicated by the *Sales Management* figures of:

Income under \$2,500 (assigned to \$2,500 contract).....	15.6%
between \$2,500 and \$5,000 (assigned to \$5,000 contract).....	30.5%
between \$5,000 and \$7,500 (assigned to \$7,500 contract).....	34.1%
over \$7,500 (assigned to \$7,500 contract but not subject to service benefits).....	19.8%
	53.9%

Net result of the new M-75 program with assigned income level classifications puts a much smaller percentage of enrollment in the low \$2,500 bracket (15.6 per cent as against the present 41.3 per cent) puts 30.5 per cent in the \$5,000 bracket and 53.9 per cent in the new

\$7,500 bracket where average fees are nearly 35 per cent higher than for the old \$5,000 bracket that covered nearly 60 per cent.

One additional important point about the new M-75 program. It automatically provides in-hospital medical coverage for ALL subscribers. The old program gave groups a choice of surgical-only coverage—and the result was that about 20 per cent of the enrollment was NOT covered for in-hospital medical benefits.

The combined effect of:

- In-hospital medical coverage for ALL subscribers.
- Higher average fee schedules in all income ceiling plans.
- Proper distribution of enrollment in the exact income schedule matching the subscriber's annual wage (which puts a much higher percentage in the higher fee schedule plans).

All adds up to far higher dollar benefits paid out to the doctors of Michigan.

How much more?

In 1957, for all services, Michigan Blue Shield paid benefits of \$49,845,000 at the rate of an average of \$36.36 per service. (This average-per-service is relatively low for it includes all the high-frequency, low-cost services).

Under the M-75 program, it is estimated that with the same enrollment, Blue Shield will pay benefits of \$67,000,000 at the rate of an average of \$48.35 per service.

That's an increase of about 34.4 per cent in total payments to doctors and about a 33.2 per cent in the average payment per service.

A detailed breakdown of comparisons between the old coverage and the new M-75 in the areas of surgical payments and in-hospital medical payments is carried on the following pages to show the increases in each of these areas separately.

For example, in the area of surgical payments (including x-ray and anesthesia services), here are the figures:

In 1957, Michigan Blue Shield paid surgical benefits of \$41,838,015 at the rate of an average of \$34.62 per service.

Under the M-75 program it is estimated that with the same enrollment, Blue Shield will pay benefits of \$54,727,626 at the rate of an average of \$45.35 per service.

That's an increase of 30.8 per cent in payments to doctors and a 30 per cent increase in the average payment per service.

In the area of In-Hospital Medical care, in 1957 Michigan Blue Shield paid benefits of \$8,007,019 at the rate of an average of \$47.41 per service.

Under the M-75 program, it is estimated that with the same enrollment, Blue Shield will pay benefits of \$12,432,025 at the rate of an average of \$60.85 per service.

That's an increase of 55.2 per cent in payments to doctors and a 28 per cent increase in the average payment per service.

Let us now leave these specifics of Blue Shield and the M-75 program and take a look at what has been happening in the general economic picture since 1939 when Michigan Blue Shield was started.

What's been happening in terms of general consumer income; what's been happening in terms of the income of the medical profession; and what's been happening in terms of actual purchasing power based on the 1939 dollar?

First of all, let's look at the purchasing power of the dollar and relate it to the various income level groups.

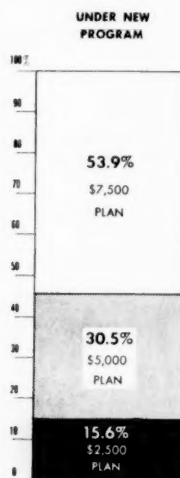
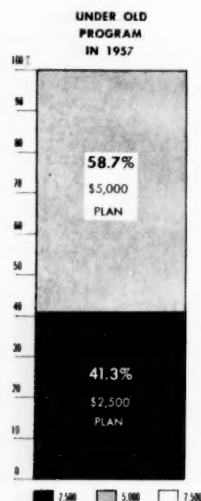
The U. S. Department of Labor reports that using the standard of 100 cents of purchasing power for the 1939 dollar, the dollar in June 1958 represented only 48 cents—a little less than half!

So in terms of 1939 purchasing power:

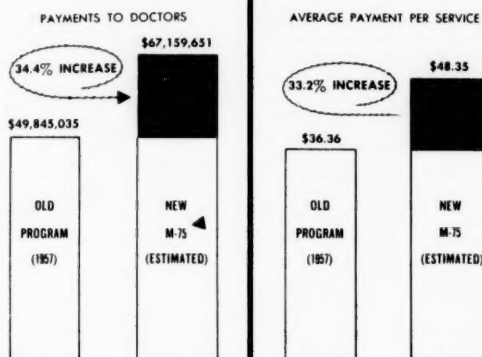
The \$2,500 income group in purchasing power now equals only \$1,200.

DIGEST OF PROCEEDINGS, HOUSE OF DELEGATES

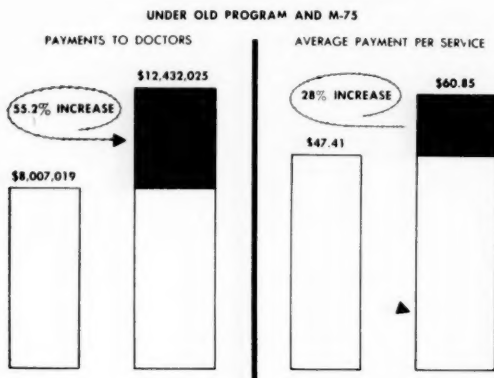
ENROLLMENT DISTRIBUTION



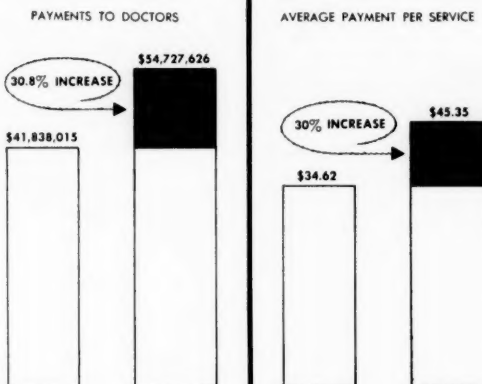
COMPARISON OF BLUE SHIELD PAYMENTS UNDER THE OLD PROGRAM AND NEW M-75 (SURGICAL AND IN-HOSPITAL MEDICAL)



COMPARISON OF BLUE SHIELD IN-HOSPITAL MEDICAL PAYMENTS



COMPARISON OF BLUE SHIELD SURGICAL PAYMENTS UNDER OLD PROGRAM AND NEW M-75



TOTAL CARE (MEDICAL AND SURGICAL) UNDER OLD \$2,500 AND \$5,000 CONTRACTS
(Based on Enrollment of 3,750,000 in calendar year of 1957)

	Members Covered	Amount Paid	Services Rendered	Average Amount Per Service
\$2,500 contract, 41.3% of enrollment	1,551,773	\$18,746,472.92	593,729	\$31.57
\$5,000 contract, 58.7% of enrollment	2,199,078	\$31,098,856.35	783,577	\$39.68
Total all contracts, 100% of enrollment	3,750,811	\$49,845,035.27	1,377,307	\$36.36

BREAKDOWN OF ALL CARE (SURGICAL AND MEDICAL) UNDER THE NEW M-75
(Based on Enrollment of 3,750,000 in calendar year of 1957)

	Members Covered	Amount Paid	Services Rendered	Average Amount Per Service
\$2,500 contract, 15.6% of enrollment	585,000	\$ 8,887,085	231,810	\$38.33
\$5,000 contract, 30.5% of enrollment	1,143,750	\$18,796,721	418,237	\$44.94
\$7,500 contract, 53.9% of enrollment	2,021,250	\$39,475,845	739,067	\$53.41
Total all contracts, 100% of enrollment	3,750,000	\$67,159,651 (34.4% higher)	1,389,114	\$48.35 (33.2% higher)

DIGEST OF PROCEEDINGS, HOUSE OF DELEGATES

TOTAL SURGICAL CARE ONLY UNDER OLD \$2,500 AND \$5,000 CONTRACTS

(Calendar year of 1957)

Involves approximately 3,750,000 members (100% of enrollment).

	Members Covered	Amount Paid	Services Rendered	Average Amount Per Service
\$2,500 contract (41.3% of enrl.)	1,551,773	\$15,731,674.27	520,868	\$30.20 (M-75 averages 21.3% higher)
\$5,000 contract (58.7% of enrl.)	2,199,078	\$26,106,341.31	687,535	\$37.97 (M-75 averages 12.5% higher and M-75 \$7,500 is 34.9% higher)
Total, both contracts (100% of enrl.)	3,750,811	\$41,838,015.58	1,208,403	\$34.62 (under M-75 will average 30% higher)

BREAKDOWN OF COVERAGE FOR SURGICAL CARE ONLY UNDER THE NEW M-75

(Based on Enrollment of 3,750,000 in calendar year of 1957)

	Members Covered	Amount Paid	Services Rendered	Average Amount Per Service
\$2,500 contract, 15.6% of enrollment	585,000	\$ 7,168,088	195,689	\$36.63 (21.3% higher than old contract)
\$5,000 contract, 30.5% of enrollment	1,143,750	\$15,268,415	357,467	\$42.71 (12.5% higher than old contract)
\$7,500 contract, 53.9% of enrollment	2,021,250	\$32,291,123	631,673	\$51.12 (34.9% higher than old contract)
Total all contracts, 100% of enrollment	3,750,000	\$54,727,626 (30.8% higher)	1,184,829	\$45.35 (average is 30% higher)

TOTAL IN-HOSPITAL MEDICAL ONLY CARE UNDER OLD \$2,500 AND \$5,000 CONTRACTS

(Calendar year of 1957)

(Involved approximately 3,000,000 members—79.6 per cent of total enrollment—remaining 750,000 had surgical-only)

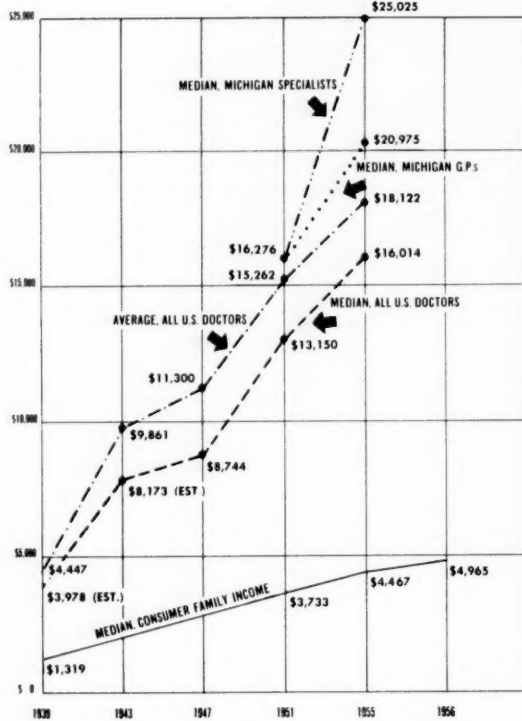
	Members Covered	Amount Paid	Services Rendered	Average Amount Per Service
\$2,500 contract (31.4% of total enrl.)	1,179,288	\$3,014,798.65	72,861	\$41.38 (M-75 \$2,500 averages 15% higher)
\$5,000 contract (48.2% of total enrl.)	1,807,331	\$4,992,221.04	96,042	\$51.98 (M-75 \$5,000 averages 11.7% higher)
Total, both contracts (79.6% of total enrl.)	2,986,619	\$8,007,019.69	168,904	\$47.41

BREAKDOWN OF COVERAGE FOR IN-HOSPITAL MEDICAL CARE ONLY UNDER THE NEW M-75

(Based on enrollment of 3,750,000 in calendar year of 1957)

	Members Covered	Amount Paid	Services Rendered	Average Amount Per Service
\$2,500 contract, 15.6% of enrollment	585,000	\$ 1,718,997	36,121	\$47.59 (15% higher than old contract)
\$5,000 contract, 30.5% of enrollment	1,143,750	\$ 3,528,306	60,770	\$58.06 (11.7% higher than old contract)
\$7,500 contract, 53.9% of enrollment	2,021,250	\$ 7,184,722	107,394	\$69.60 (33.9% higher than old \$5,000 contract)
Total all contracts, 100% of enrollment	3,750,000	\$12,432,025 (55.2% higher)	204,285	\$60.85 (average is 28.3% higher)

MEDIAN INCOME 1939-1955-56



SOURCE: MEDICAL ECONOMICS QUADRENNIAL SURVEYS

The \$5,000 income group in purchasing power now equals only \$2,400.

The \$7,500 income group in purchasing power now equals only \$3,600.

The charts following show what has happened to consumer family income and the income of doctors in the period covering 1939 to 1955-56—the latest date for which reliable comparable data are available.

Consumer family income figures are from the Department of Commerce. Figures on income of the medical profession are from the various Quadrennial Surveys made by *Medical Economics*.

(*Medical Economics* is the only source of figures on medical income later than 1949—latest date covered by a Department of Commerce Survey on doctor income. For the last comparable year—1947—there was less than \$500 difference between the median income for doctors in the *Medical Economics* Survey and the Department of Commerce Survey).

The chart shows that median income for all consumers (households with a male head) has risen from \$1,319 in 1939 to \$4,956 in 1956—an increase of about 376 per cent.

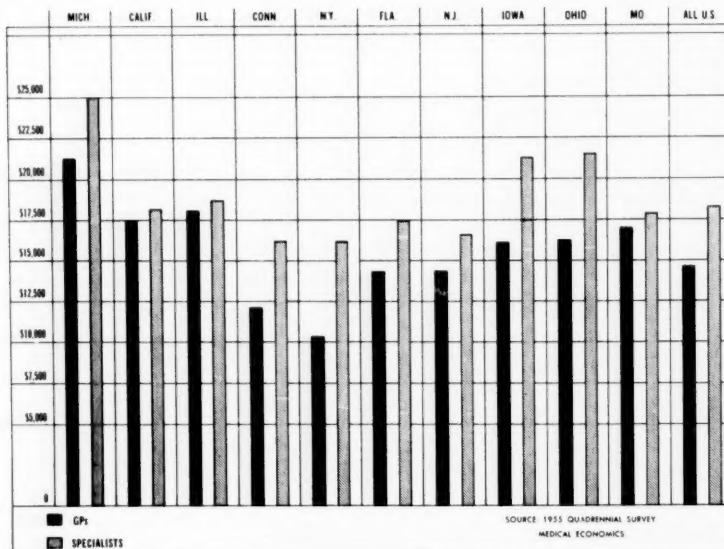
The median income for all doctors in the U. S. has risen from an estimated \$3,978 in 1939 to \$16,016 in 1955—an increase of about 402 per cent.

The chart also shows that the median income of all Michigan doctors for 1951 was considerably higher than the national average.

It also shows that the median income both for Michigan General Practitioners and Specialists in 1955 was much higher than the national median. A second chart shows the median income of both GPs and Specialists in comparison to other representative states. Michigan stood the highest of all states in the Survey in median income both for GPs and Specialists.

It is significant to note that Michigan—with the highest median income for physicians—has the highest percentage of the population covered by Blue Shield with the exception of two very small plan areas—Delaware

MEDIAN INCOME OF MICHIGAN GPs AND SPECIALISTS COMPARED WITH OTHER STATES

SOURCE: 1955 QUADRENNIAL SURVEY
MEDICAL ECONOMICS

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EXHIBIT 1—YEAR OF 1958

City	Manufacturing Industries 2080 Hours Times Average Hourly Wage	Plan	Income Limits
Detroit	\$2.62 equals \$5449.60	C	\$5,000-\$7,500
Battle Creek	2.43 equals 5040.40	C	5,000- 7,500
Benton Harbor	2.13 equals 4472.00	B	2,500- 5,000
Flint	2.54 equals 5283.20	C	5,000- 7,500
Grand Rapids	2.25 equals 4680.00	B	2,500- 5,000
Jackson	2.40 equals 4992.00	B	2,500- 5,000
Kalamazoo	2.16 equals 4492.80	B	2,500- 5,000
Lansing	2.55 equals 5304.00	C	5,000- 7,500
Muskegon	2.38 equals 4950.40	B	2,500- 5,000
Saginaw	2.38 equals 4950.40	B	2,500- 5,000

Source: Michigan Labor Market, Michigan Employment Security Commission, May, 1958 issue.

EXHIBIT 2—YEAR OF 1951

City	Manufacturing Industries 2080 Hours Times Average Hourly Wage	Plan	Income Limits
Detroit	\$1.91 equals \$3972.80	B	\$2,500-\$5,000
Flint	1.85 equals 3848.00	B	2,500- 5,000
Grand Rapids	1.69 equals 3515.20	B	2,500- 5,000
Lansing	1.90 equals 3952.00	B	2,500- 5,000
Muskegon	1.87 equals 3889.60	B	2,500- 5,000

Source: Michigan Labor Market, Michigan Employment Security Commission, July, 1951 issue.

and the District of Columbia. In 1957, 47.7 per cent of the population of Michigan had Blue Shield.

From the beginning, Michigan Medical Service—started by and sponsored by the doctors of Michigan—has been one of the fastest growing Blue Shield Plans—was the first to attain an enrollment of One Million Members and the first to attain the enrollment of Two Million Members.

It would seem that the growth of Blue Shield in Michigan has been an important factor in the economic position of Michigan physicians.

Now the figures we have used for the most part in this report in regard to the percentage of subscribers who will fall within the various income limit plans were necessarily statewide figures.

These reflect the sum total of Michigan Medical Service current statewide coverage and sum total payments to doctors on this statewide average.

However, we are sure you are aware that these percentages will vary in specific areas. In those areas where living costs are higher and wage rates are higher, there will be a higher percentage of subscribers in the higher \$5,000-\$7,500 plan, which of course has a higher benefit schedule.

The two exhibits above give you an idea of how this may vary. Exhibit No. 1 takes ten different areas and by comparing the average hourly wage times 2,080 hours, shows under which income limit plan the average subscriber will fall in each area. The figures are for the average hourly wage this year in manufacturing industries.

You will note that areas such as Detroit and Lansing fall in the Plan C, \$5,000-\$7,500 income limit area whereas Grand Rapids, Benton Harbor and others fall in the Plan B, \$2,500-\$5,000 income limit area.

Exhibit No. 2 is a comparison of all of those cities for which a comparison was possible in the year of 1951. Notice that NONE at that time would have fallen under Plan C (\$5,000-\$7,500).

M. L. LICHTER, M.D., *Chairman*
J. J. LIGHTBODY, M.D.
J. W. LOGIE, M.D.
R. L. MAINWARING, M.D.
D. G. PIKE, M.D.
F. C. RYAN, M.D.
W. F. STRONG, M.D.

E. G. M. KRIEG, M.D.: Are the Principles of the Judicial Council of the American Medical Association and the Principles of Ethics as proposed in the 1947 group the same as the recent one that has been published?

M. L. LICHTER, M.D.: These paragraphs were taken from the material sent to all of us by the American Medical Association, and are the interpretations of our Medical Ethics. The portion that I have quoted is still current and to my knowledge has not been rescinded by the House of Delegates of the American Medical Association.

I might say that the Committee was bound by the directives of this House of Delegates in seeing that the Principles were adhered to in the most meticulous detail, and I can assure you that if this material is examined you will find that this part of our obligation was conscientiously and accurately discharged.

S. L. LOUPEE, M.D. [Cass]: I move that this report be considered read.

[The motion was duly seconded.]

THE VICE SPEAKER: It is moved and seconded that this report be considered read, as presented in the material that has already been given to you. Is there discussion? Those in favor of the motion, say "aye"; opposed, "no". The motion is lost. We shall proceed with the report, Dr. Lichter.

M. L. LICHTER, M.D.: I can tell you that there are only a few minutes more, and I am sure I speak for the Committee when I say we appreciate the opportunity given by this House to complete the presentation of this report.

Before I make a very brief summary, there are two more charts that are now going to be shown, which indicate the hourly rate in various parts of Michigan in 1958 and in 1951. These have been multiplied by 2,080 hours to show the projected income. You can examine these at your leisure. We found them of great interest. (See above.)

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[Dr. Lichter read the report to the end.]

M. L. LICHTER, M.D., [continuing]: In this report we have shown the principles and the safeguards to the profession and the public. We have taken the principles and the contract and have done with it what is known as a cut-and-paste job, where you cut pieces of each out for comparison and paste them in their proper sequence to demonstrate conclusively that Michigan Medical Service followed the principles of this House of Delegates.

We have demonstrated that we are still concerned with the same segment of the population now as we were in 1940 and 1950. We haven't added any people. We have presented data showing that the use of wage earners' income alone is valid. We have shown the effect of the working wife's income on the total family income. Then we have shown what the payments under this new plan mean in terms of dollars not only to the people of Michigan but to the doctors as well. [Applause]

THE VICE SPEAKER: This supplemental report of the Medical Care Insurance Committee will be referred to the Reference Committee on Medical Care and Prepayment Insurance.

I think we all realize how difficult it is to sit for such a long period of time listening to factual and statistical data, but The Council and the Speaker felt that certainly all the delegates should have this information so that they can talk intelligently about it, and you are all urged to attend the Reference Committee having to do with this particular material.

M. L. LICHTER, M.D.: Mr. Vice Speaker, I arise for a point of privilege, if I may, sir.

THE VICE SPEAKER: State your privilege.

M. L. LICHTER, M.D.: I would request the privilege of the floor for Mr. J. C. Ketchum for the purpose of making a few remarks.

THE VICE SPEAKER: If there are no objections by the delegates, Mr. Ketchum is recognized and may proceed.

MR. J. C. KETCHUM: I am not going to attempt to defend M-75 or Blue Shield or Michigan Medical Service in this matter which has been presented to you and which has been the subject of so much controversy for the past several weeks. I am going to state that I am proud of the part Michigan Medical Service has played in the discharge of the obligation which the House of Delegates—this body—voluntarily assumed last September.

No contractor was ever given a more detailed list of instructions than was Michigan Medical Service given by this House of Delegates in the principles you adopted last September. No contractor ever worked under as close supervision and inspection in putting together this structure, M-75, than was Michigan Medical Service, under the observation and inspection of your Medical Care Insurance Committee.

No inspector ever submitted to his principal in more clear detail than was submitted by your Medical Care Insurance Committee in its reports to The Council and the Executive Committee of The Council.

I am proud of the job that Michigan Medical Service has done and that my staff has done. I am proud of the actuaries who have promulgated the rates for this contract. I am proud of our attorneys who have drafted the legal language to put into contract form this list of specifications. I am proud of the Enrollment Department of Michigan Blue Cross and Blue Shield that has

sold this contract—almost a record in presentation and commitments by our subscribers with us for the acceptance of M-75.

By the end of this current week, assuming the negotiations in the motor car industry are completed, we will have been committed to approximately 1,705,000 persons in the State of Michigan for benefits under M-75. This is common knowledge; I am not telling you anything new. All you have to do is to read the newspapers.

The effective date of these commitments will vary from some of them already in effect August 1 to, as near as we can tell, February 1; but they are commitments on which Michigan Medical Service will be expected to deliver.

Literally thousands of dollars and literally months and years of manhours have been put into the consideration of M-75 by labor, by industry and by thousands of people in the State of Michigan.

The public had a perfect right, after the publicity given the action of this House of Delegates last September, to assume that you meant what you said when you adopted this Statement of Principles. If you now wish to reconsider your action at that time, you must consider the price you will pay for reconsideration.

I think you have two alternatives: You can rescind the Statement of Principles, or you can deliver on it. The price of rescinding or repudiation of your voluntarily accepted commitments could very well be the loss of all the public relations work that you have done these past many years, and to live from here on with probably the poorest public relations you could conceive of; because not only will the public wonder whether your word is worth accepting in connection with prepayment, but it will undoubtedly wonder whether your word is worth accepting when you express yourselves on such things as polio immunization, social security and any other matters wherein you are concerned with your position and your support by the public.

What you do here today or this week can very well be the answer to what you call public relations from here on in. [Applause]

THE VICE SPEAKER: The two presentations, that by Dr. Lichter and Mr. Ketchum, have been given for the information of the delegates, and I am sure there will be questions, perhaps a considerable number of questions, that you would like to ask Mr. Ketchum and also Dr. Lichter. They will be available in the Medical Care Insurance Reference Committee, so we urge all who are interested to attend that meeting.

[The Speaker resumed the Chair.]

THE SPEAKER: Your Speaker expressed himself last night in his remarks and has made it very plain that he does not intend to indulge in any further comments. However, in an effort to put some facts before you, this presentation was made. In addition, your Speaker took the prerogative of attempting to get all the information possible by appointing an Auditing Committee of four members of this House of Delegates to get some figures concerning enrollment.

Will Dr. Engelke as Chairman of this Committee please come forward and give his report, as a matter of information to this House of Delegates.

O. K. ENGELKE, M.D. [Washtenaw]: This Auditing Committee consisted of Dr. John Wellman, Ingham; Dr. John W. Rice, Jackson, Dr. Richard A. Rasmussen, Kent, and myself.

On September 24, just a few days ago, we went to Lansing and examined the certificates of participation that were there. We checked them against the tabulations of certificates of participation that were signed. Many of these certificates were those of Active, Life and Emeritus members; also certificates from non-members.

We also checked the certificates that had been with-

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drawn as of that date. We spent a good bit of time at it. Everything was placed at our disposal. We made what the Committee felt was a very thorough audit of acceptances to date.

I will now read the Committee's formal report to Kenneth H. Johnson, M.D., Speaker of the Michigan State Medical Society House of Delegates, from the Auditing Committee on Seal of Assurance Participation.

"Dear Doctor Johnson:

"This Committee met on September 24, 1958 in the Executive Offices of the Michigan State Medical Society, and in accordance with your instructions of September 18, 1958 offers the following report:

Total signed contracts received as of this date.....	3,999
Total withdrawals from contracts received as of this date.....	86
Total contracts in force as of this date.....	3,913*
Total number of Active, Life and Emeritus members who are participating.....	3,399
Total number of nonmembers who are participating.....	514
(465 nonmembers plus 49 interns and residents at the University of Michigan)	
Total percentage of Active, Life and Emeritus members of MSMS who are now participating.....	57.9%
Total percentage of Active, Life and Emeritus members of MSMS who have withdrawn.....	1.4%
Total percentage of Active, Life and Emeritus members of MSMS who are undecided.....	40.7%

"The Auditing Committee on Seal of Assurance Participation finds the above figures to be correct, and the contracts indicated above to be presently in force to be valid.

"The Committee has also reviewed the count of contracts in force in the separate counties and the percentage based on the number of participants who are members as compared with the number of Active, Life and Emeritus members, and finds them to be correct.

"Based on membership records as of July 31, 1958, 514 participants in the contracts presently in force were neither Active, Life or Emeritus members. They are, however, all doctors of medicine and fall under such categories as interns and residents (49), those members delinquent in dues as of July 31, 1958, and nonmembers of MSMS who are presently participating in \$2,500-\$5,000 Michigan Blue Shield contracts.

"Respectfully submitted,
s/ OTTO K. ENGELKE, M.D., Chairman
JOHN M. WELLMAN, M.D.
JOHN W. RICE, M.D.
RICHARD A. RASMUSSEN, M.D.

Dr. Johnson, the Auditing Committee is happy to turn this report over to you.

THE SPEAKER: This report will be turned over to the Reference Committee on Medical Service and Prepayment Insurance for information.

THE SPEAKER: I have been asked to make the following announcement:

Gold forks were to have been presented last evening to the Fifty-Year Awardees, through the courtesy and thoughtfulness of James Gerity, Jr., of Adrian, owner of Station WNEM-TV, Bay City, and other stations. However, these gold mementos of a happy occasion were somehow lost in the welter of boxes and packages stored in the hotel, and did not reach the Crystal Ballroom last evening. They are here today, and this is just to inform the Fifty-Year Awardees of 1958 that each will soon be receiving a piece of useful gold, mailed from the MSMS Executive Office next week.

[The meeting recessed at 12 o'clock noon.]

*The total number of participating doctors of medicine is equivalent to:
66.8 per cent of the total Active, Life and Emeritus membership enrollment of the MSMS, and
70.0 per cent of the total Active membership enrollment of the MSMS.

MONDAY EVENING SESSION

September 29, 1958

The meeting reconvened at 8:15 p.m., K. H. Johnson, M.D., Speaker of the House of Delegates, presiding.

XV-26. PUBLICATION OF NAMES OF PHYSICIANS PARTICIPATING WITH BLUE SHIELD

R. A. RASMUSSEN, M.D. [Kent]:

"Whereas, it appears that a policy may be developing to publish the names of participating and nonparticipating physicians in Michigan Medical Service, and

"Whereas, such publication is discriminatory, damaging, restrictive and coercive to the profession and the individual physician, and

"Whereas, participation in any voluntary program is the prerogative of the individual; therefore, be it

"RESOLVED: That the House of Delegates of the Michigan State Medical Society instruct Michigan Medical Service or any other company or organization that such lists shall not be published or otherwise disseminated."

THE SPEAKER: This resolution is referred to the Reference Committee on Reports of The Council.

XV-27. ONE FULL DAY FOR REFERENCE COMMITTEE MEETINGS

E. J. TALLANT, M.D. [Wayne]:

"Whereas, the proceedings of the reference committees are of extreme interest to all members, and

"Whereas, members may wish to attend all meetings of the reference committees; be it therefore

"RESOLVED: That hereafter one whole day of the session be specifically designated for reference committee activities; and be it further

"RESOLVED: That no other activity of the House of Delegates be conducted on this designated day."

THE SPEAKER: I will refer this resolution to the Reference Committee on Rules and Order of Business.

XX. REPORTS OF REFERENCE COMMITTEES

XX-1. ON OFFICERS REPORTS

H. L. GORDON, M.D.: The Reference Committee on Officers' Reports considered the following reports:

XX-1(a). SPEAKER'S REMARKS

H. L. GORDON, M.D.: The Reference Committee accepts Dr. Johnson's remarks with appreciation, especially those remarks dealing with the integrity of the House of Delegates, and accepts his charge that all decisions in this House be made on the broad base line of what is best for the majority of doctors in this State.

The Reference Committee recommends approval of this report, and I so move.

C. W. SELLERS, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

XX-1(b). PRESIDENT'S REMARKS

H. L. GORDON, M.D.: The Reference Committee accepts Dr. Slagle's excellent report, and notes with satisfaction the imminent realization of a Michigan Association of the Profession. The success of this venture is assured through Dr. Slagle's efforts.

The Reference Committee recommends approval of this report, and I so move.

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LOUIS JAFFE, M.D. [Wayne]: Second the motion.
[The motion was put to a vote and was carried unanimously.]

XX—1(c). PRESIDENT-ELECT'S REMARKS

H. L. GORDON, M.D.: The Reference Committee approves with pleasure the remarks of Dr. Saltonstall. Dr. Saltonstall is commended for his suggestion that we avoid embarking on any great new project this year but solidify the gains we have made.

The Reference Committee recommends approval of this report, and I so move.

W. S. REVENO, M.D. [Wayne]: I second that motion.
[The motion was put to a vote and was carried unanimously.]

XX—1(d). REPORT OF DELEGATES TO AMA

H. L. GORDON, M.D.: The Reference Committee approves the report of the Delegates to the American Medical Association and commends them for their tireless effort and active participation in the AMA House of Delegates.

Dr. Hyland's cablegram to the House of Delegates is accepted and Mrs. Hyland's comments are approved.

The Reference Committee recommends adoption of this report, and I so move.

E. G. M. KRIEG, M.D.: Second the motion.
[The motion was put to a vote and was carried unanimously.]

XX—1(e). REPORT OF WOMAN'S AUXILIARY TO MSMS

H. L. GORDON, M.D.: The report submitted by Mrs. C. Allen Payne is accepted, and the Auxiliary is commended for their efforts in furthering the American Medical Education Foundation and their promotion of the magazine, *Today's Health*.

The Reference Committee recommends acceptance of this report, and I so move.

C. W. SELLERS, M.D.: Second.
[The motion was put to a vote and was carried unanimously.]

XX—1(f). REPORT OF MICHIGAN STATE MEDICAL ASSISTANTS' SOCIETY

H. L. GORDON, M.D.: This report, given by Miss Marlouise Redman, is accepted, and this group is commended for extension of their membership and their forward progress in their educational program. We join with them in hoping that their next national assembly will be in Detroit.

The Reference Committee recommends acceptance of this report, and I so move.

L. R. LEADER, M.D. [Wayne]: Second the motion.
[The motion was put to a vote and was carried unanimously.]

XX—1(g). POLL ON SOCIAL SECURITY

H. L. GORDON, M.D.: Resolution 13 was referred to this Reference Committee for consideration. The Reference Committee accepts this resolution with the addition of a single word in the last paragraph, making the resolution read:

"Whereas, representative action of delegates to the American Medical Association can only stem from adequate knowledge of the opinions of their constituents, and

"Whereas, this knowledge can in some cases only be obtained by a properly regulated and properly worded referendum, and

"Whereas, without such opportunity for expression of opinion the membership may rightly feel that they are not being adequately represented, and

"Whereas, opinions of individuals may change over a period of years, and

"Whereas, our delegates to the American Medical Association in Michigan have been forced to act without the benefit of a recent opinion survey on certain matters; therefore, be it

"RESOLVED: That this opinion be obtained in the form of a stamped post card, self-addressed by the Michigan State Medical Society, with the following simple wording: 'Do you favor inclusion of doctors of medicine as participants in the present compulsory social security system? Yes—— No——.'"

The Reference Committee recommends adoption of this resolution as amended, and I so move.

V. A. NOTIER, M.D. [Kent]: Second the motion.

E. H. FENTON, M.D.: The resolution contained no duress. I think everyone realizes that social security is compulsory. I believe the word "compulsory" tends to denote a certain degree of feeling on the part of those who are putting out the questionnaire.

I would suggest that the word "compulsory" be deleted from this resolution. I so move.

S. L. LOUPEE, M.D.: Second the motion.

THE SPEAKER: Does the Speaker understand that the original resolution stated, "Do you favor inclusion of doctors of medicine as participants in the present social security system?" The Reference Committee has suggested adding the word "compulsory." There is a substitute motion made, that the word "compulsory" be deleted. That is what you are voting on at the present moment, in the form of an amendment, if you wish.

LOUIS JAFFE, M.D.: I believe the inclusion of the word "compulsory" was not meant to be a directive, directly or indirectly, but was simply added for informative purposes, because all social security is compulsory as far as any group or profession is concerned.

Some physicians may feel that they are voting on a voluntary thing which they may take or not as they see fit, and it was for this reason that the word "compulsory" was included.

THE SPEAKER: Thank you, Dr. Jaffe. Is there further discussion?

C. W. SELLERS, M.D.: Is this an amendment to the original motion?

THE SPEAKER: That is correct. You are discussing the motion to delete the word "compulsory," made in the form of an amendment to the original motion.

[The motion was put to a vote and was lost.]

THE SPEAKER: The motion is lost. We will now vote on the report of the Reference Committee, which amended the original resolution to include the word "compulsory." Is there discussion of this matter?

[The motion was put to a vote and was carried unanimously.]

H. L. GORDON, M.D.: Mr. Speaker, I move that the report of this Reference Committee be accepted as a whole.

C. W. SELLERS, M.D.: Second the motion.
[The motion was put to a vote and was carried unanimously.]

THE SPEAKER: Thank you very much, Dr. Gordon and the others on your Reference Committee.

XX—2. ON REPORTS OF STANDING COMMITTEES

XX—2(a). POSTGRADUATE MEDICAL EDUCATION COMMITTEE

E. G. M. KRIEG, M.D.: The first item is on page 104. Your Reference Committee approved the report of the Postgraduate Medical Education Committee as printed

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in the Handbook, and commends the Committee for extending their teaching centers into new areas.

Mr. Speaker, I move the adoption of this portion of our report.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

[The Vice Speaker assumed the Chair.]

XX—2(b). PREVENTIVE MEDICINE COMMITTEE

E. G. M. KRIEG, M.D.: The report of the Preventive Medicine Committee and its sub-committees were approved, and your Reference Committee commends the steps taken to develop a Michigan conference on athletic diseases. The report of the Mental Health Committee was approved with the following recommendation: That greater emphasis be made in recognition and treatment of psychiatric disorders in general practice through State conferences, postgraduate courses and other similar meetings.

Also the report of the Child Welfare Committee was approved. It should be known that information on cases of poisoning can be obtained by telephone from the Poison Center of the University Hospital in Ann Arbor on a 24-hour basis.

I move adoption of this portion of the report.

C. W. SELLERS, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

XX—2(c). PUBLIC RELATIONS COMMITTEE

E. G. M. KRIEG, M.D.: The report of the Public Relations Committee was approved as printed in the Handbook. I move its adoption.

C. L. WESTON, M.D. [Shiawassee]: I second that.

[The motion was put to a vote and was carried unanimously.]

XX—2(d). ETHICS COMMITTEE

E. G. M. KRIEG, M.D.: The report of the Ethics Committee was approved as printed in the Handbook. I move its adoption.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

XX—2(e). LEGISLATIVE COMMITTEE

E. G. M. KRIEG, M.D.: The report of the Legislative Committee was approved as printed in the Handbook. I move its adoption.

S. L. LOUPEE, M.D.: I second that motion.

[The motion was put to a vote and was carried unanimously.]

E. G. M. KRIEG, M.D.: I move the adoption of this report as a whole, with the amendments as stated during the presentation of the Reference Committee's report.

C. L. WESTON, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

THE VICE SPEAKER: Thank you and your committee members, Dr. Krieg.

[The Speaker resumed the Chair.]

XI. MICHIGAN'S FOREMOST FAMILY PHYSICIAN

THE SPEAKER: I would like to interrupt the House of Delegates at this time to introduce to you the man whom you have chosen as Michigan's Foremost Family Physician of the Year.

It has been my request that his son, Dr. Lawrence A. Drolett, a member of this House of Delegates, introduce him and his family. Dr. Drolett.

L. A. DROLETT, M.D.: This, to me, is one of the greatest privileges I have ever had—the opportunity to introduce to you the doctor whom you chose last night as the Family Physician of the Year, my father, Fred J. Drolett, M.D.

[The members arose and applauded.]

FRED J. DROLETT, M.D.: Ladies and gentlemen, may I start this off with a little levity. Larry said, "Don't make a speech!" I won't. I feel like two fellows who had imbibed rather freely one night. Coming home on that beautiful moonlit night, they passed a body of water on which the full moon was reflected in all its glory.

One said to the other, "Hey, what's that?"

"Why, that's the moon."

"The moon? What the hell am I doing up here?"

[Laughter.]

That is just the way I feel about this. This honor came to me as a perfect surprise. I was in bed last night, sound asleep, about 11:30, when I heard the telephone ring.

"This is Larry."

"What do you want?"

"Come down to Detroit tomorrow night, you and Mother."

"No, no; we're going to be there Tuesday."

"No, you're not. You're coming down tomorrow night. You have been elected Family Physician of the Year."

Well, I think that is on account of my age and maybe my good looks. I see Ken Johnson and Dr. Toothaker, President of our Society, sitting down here. Either one perhaps more of a family physician than I am. I came through the days when I couldn't afford to buy a horse. Finally, I could afford a horse, and I bought one and rode it for a couple of years. I sold it for \$50 more than I had paid for it, and then I bought a car.

I have been through the mill. I went to the town of Lansing, which had a population of 14,000 when I went there and which has a population now of about 125,000. I sort of grew with the town.

I am proud of being a general practitioner. I have had a lot of fun and have done a lot of hard work. I have plowed through the snow up to my knees a good many times, and I have had to tie my horse in a farmer's barn and walk half a mile through the snow.

One thing that sort of gets me is when people call me and say, "Are you one of the doctors who makes house calls?" Ladies and gentlemen, that happens three or four times a week. When a thirty-year-old doctor will say, "I don't make house calls. Fred Drolett, across the way, makes them," that gets me.

I still like to practice, and I keep on practicing—but of course not as much as I used to. I have delivered babies in homes and have done a caesarean section on the kitchen table, and did a curettage and tied the patient up with a bedsheet a dozen times a week in the old days.

It has been a lot of fun, but I am glad I practiced medicine in the days when medicine was undergoing a change. In the fifty-one years I have been in practice, I have seen diphtheria eliminated. I have seen Pasteur come and go. Tuberculosis has been practically eliminated, as well as smallpox, typhoid fever, and now we have cancer. Folks, if you eliminate cancer something else will come along. There is no such thing as natural death. Something comes along—some organ gives up—and when you lick cancer there will be something else, because the human race will outlive the earth.

I have done my share, and I have been honored by several appointments. I have been President of my County Society; I have been chief of hospital staffs, and I have enjoyed every moment of it.

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I am not trying to claim that it is all unselfish. I quit a good trade, making good money. I was a book-binder, and I studied medicine because there was more money in it.

I look around at you fellows here tonight. I am seventy-nine years old, and if I had been an executive I might have been President of General Motors. At sixty-five they would have kicked me out with a gold watch and chain and a pat on the back. That's very nice, but the next morning there would be heartache.

None of you fellows is poor. You have all got good cars and good homes, and you wear good clothes. You are able to come and attend these meetings and spend a lot of money and have a lot of fun.

Ladies and gentlemen, there is no other profession in the world that will give all of that to you. I know old Dr. Bradley, over at Eaton Rapids, who said, "I have lost three fortunes and I am making a fourth one."

Medicine has given me a good living, although it was not all fun. I have a fine family and I have good health, a lot of friends (I hope), and a lot of fun. I wouldn't do anything else in the world but practice medicine, and I am going to practice as long as I can.

I have told my boys, "If you find that I am getting senile and don't know what I am doing, tell me so and I'll shut the door of the office in five minutes."

I see some of the men from my Society here. I see Johnny Wellman, Franklin Troost, and many others. I appreciate their being here. This is the greatest honor I have ever had in my life.

I cut loose today. I got up this morning. Someone had the radio turned on. If I had one phone call I have had fifty. I already have had a couple of boxes of cigars out of it. I hope somebody sends some good likker over. [Laughter]

At my age I can say this: Boys and girls, I thank all of you very much for this honor. It is the greatest honor I have ever had, and I hope I prove to you that I deserve it.

Thank you, and good night.
[The members arose and applauded.]

L. A. DROLETT, M.D.: Members of the House, I would like to have you meet this man's greatest helpmate, my Mom.

[The members arose and applauded.]

My sister Dorothy, who is a registered nurse, and my brother, Dr. Donald Drolett, who practices obstetrics and gynecology at Lansing. [Applause.]

THE SPEAKER: I am sure I can say without question that this has been a very delightful privilege on my part to introduce this gentleman, who epitomizes in the minds of the doctors in Ingham County one who is a doctor to the patients he serves. We hope that you will enjoy the time you spend with us, Fred, you and your family, and Godspeed.

XX-3. ON REPORTS OF SPECIAL COMMITTEES

D. W. THORUP, M.D. [Berrien]: Mr. Speaker, the Reference Committee has a partial report that it can present at this time.

XX-3(a). SCIENTIFIC RADIO COMMITTEE

The annual report of the Scientific Radio Committee for 1957-1958 was read and reviewed. The Reference Committee recommends that this Committee continue its program, and that an effort be made to obtain more co-operation from component county societies.

This Committee is to be congratulated for the work it has done. They have presented a diversity of subjects in an attractive fashion, and it is the opinion of the Reference Committee that a valuable public relations function, as well as one of public education, is being ably carried on by this Committee. I move the adoption of this report.

K. W. TOOTHAKER, M.D. [Ingham]: I second the motion.

[The motion was put to a vote and was carried unanimously.]

XX-3(b). ADVISORY COMMITTEE TO WOMAN'S AUXILIARY

D. W. THORUP, M.D.: The Advisory Committee to the Woman's Auxiliary for 1957-58 presents a brief report and states that several matters were discussed with the President of the Auxiliary, and advice was offered. The Auxiliary has made a genuine contribution to medical progress in Michigan, and its efforts deserve our support and help. It is urged that the Advisory Committee make every effort to assist them in any way possible. I move the adoption of this report.

F. W. SMITH, M.D. [Clinton]: Second the motion.
[The motion was put to a vote and was carried unanimously.]

XX-3(c). ADVISORY COMMITTEE TO MICHIGAN STATE MEDICAL ASSISTANTS' SOCIETY

D. W. THORUP, M.D.: This Committee is to be complimented on their activity and the obvious rapport they have developed with the organization of medical assistants. This worthwhile activity is to be encouraged, and it is hoped that the Advisory Committee from this Society can continue to be of assistance to it. I move the adoption of this report.

H. W. PORTER, M.D. [Jackson]: Second the motion.
[The motion was put to a vote and was carried unanimously.]

XX-3(d). COMMITTEE ON COMMITTEES

D. W. THORUP, M.D.: The report of this Committee was reviewed and its activities approved. It is advantageous to the Society to continue to streamline the committee activities as they propose, and the Reference Committee recommends that this Committee be allowed to continue its research and make interim reports of its progress as requested. I move the adoption of this report.

F. W. SMITH, M.D.: Second the motion.
[The motion was put to a vote and was carried unanimously.]

THE SPEAKER: This is an interim report and will be completed at a later time.

XX-4. REFERENCE COMMITTEE ON CONSTITUTION AND BYLAWS

XX-4(a). PROPOSED AMENDMENT TO CONSTITUTION, ARTICLE VII AND BYLAWS, CHAPTER 8, SECTION 1 RE: SECTION REPRESENTATIVES IN MSMS HOUSE OF DELEGATES

A. B. GWINN, M.D. [Barry]: We had two resolutions referred to us. The first one was introduced in the 1957 House of Delegates by Dr. Falls of Ann Arbor. We have changed it very slightly.

Last year, Section 1 read: "The House of Delegates shall be the legislative body of the Michigan State Medical Society and shall consist of delegates elected by the component medical societies, by the members of the authorized specialty sections, and delegates-at-large as prescribed by the By-laws."

We have changed this Section to read:

"The House of Delegates shall be composed of members elected by the component medical societies and one member from each of the authorized sections of the Michigan State Medical Society."

The Reference Committee approves the adoption of this amendment to the Constitution, and I so move.

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R. W. TEED, M.D. [Washtenaw]: I second it.
(*Extended discussion followed.*)

H. F. FALLS, M.D.: I would like to call for a hand vote.

THE SPEAKER: Dr. Falls has called for a hand vote. Mr. Secretary, will you assist me in counting? All those in favor, please raise your right hand [38]. All those opposed, raise your right hand [69].

It is obvious that, since this required a two-thirds vote, the motion is lost, as the Speaker originally stated. [Applause]

XX—4(b). AMENDMENT TO BYLAWS, CHAPTER 16, SECTION 1 RE: DATE OF SUSPENSION FOR NON-PAYMENT OF DUES

A. B. GWINN, M.D.: The second resolution was introduced by Dr. F. P. Rhoades, of Wayne. I will read the "Resolved" portion.

"RESOLVED: That Chapter XVI, Section 1 of the Michigan State Medical Society By-laws be amended by changing the date for suspension of members for non-payment of dues from April 1 to June 1."

The Reference Committee believes that the intent of this resolution is commendable, although after a lengthy discussion it was the opinion of the Reference Committee that the resolution was unnecessary and unwarranted, for the following reasons:

First, the Michigan State Medical Society is very lenient with its members and does not drop anyone from membership until June 1.

Second, the letters of suspension from the Michigan State Medical Society do not go out to the delinquent members until September 1; however, the dues must be paid by July 1 or the member is not on the MSMS roster.

Third, the Reference Committee feels that doctors are only human and that the longer they are given to pay their dues the longer it will take them.

Fourth, that some delinquency may be due to the failure of the county secretary to send the dues to the Michigan State Medical Society soon after they are paid. Therefore, it is the opinion of this Reference Committee that this resolution be disapproved.

I so move.

W. C. BEETS, M.D. [Kent]: Second the motion.

[*The motion was put to a vote and was carried, with one "no" vote.*]

A. B. GWINN, M.D.: I now move the acceptance of the report of the Reference Committee as a whole.

J. A. FERGUSON, M.D. [Kent]: Second.

[*The motion was put to a vote and was carried unanimously.*]

THE SPEAKER: Thank you, and the members of your Committee, Dr. Gwinn.

XX—5. ON RESOLUTIONS

XX—5(a). AMERICAN MEDICAL EDUCATION FOUNDATION

E. A. OSIUS, M.D. [Wayne]: I should like first of all to thank my Reference Committee for excellent support and a great deal of patience and good advice, and also the six Councilors and almost a seventh who attended the meeting. I have been on several reference committees, but never up until today have I had this distinct honor. May I add that the Councilors' advice was very helpful.

The first thing we had to consider was the report by Dr. F. P. Rhoades regarding the American Medical Education Foundation (part of Supplemental Annual Report of The Council).

Dr. Rhoades discovered that Michigan physicians gave the stupendous sum of \$1.50 average per head during the

past year to the American Medical Education Foundation. Obviously this is not a good record, and if we were to contribute our 4 per cent of the 10 million dollars which is needed we would have to raise some \$300,000.

This could be done in two ways—either by having a voluntary contribution made, or by having the dues raised or an assessment levied.

The Reference Committee felt that the voluntary process would be the nicer, and hence in the report of Dr. Rhoades we have invited attention to the figure of \$1.50 per head. We feel that the idea he suggested might be a very good one, namely, to print on the bottom of the dues statement, or immediately after the dues figure on the statement that is sent out by the State Society, the following notation: "Voluntary contribution to the American Medical Education Foundation, \$10," hoping that this will encourage the various members, at the time they are making out their check, to add \$10 to it.

This will save writing another check; it will also save a stamp. In these days of increased postage rates this is helpful, and the \$10 will be put to very good use. Actually, we are giving it to ourselves in a certain sense, and perhaps we have been just a little niggardly in this State.

I move the adoption of this recommendation.

F. P. RHOADES, M.D.: Second the motion.

[*The motion was put to a vote and was carried unanimously.*]

XX—5(b). MEDICAL REPRESENTATION WHEN MANAGEMENT-LABOR NEGOTIATE MEDICAL SERVICES

E. A. OSIUS, M.D. [Wayne]: The next resolution we considered was that presented from Kent County, which I will read quickly in order to refresh your memory on the details.

"Whereas, Michigan Medical Service provides service contracts for prepaid medical care, and

"Whereas, the service furnished in carrying out said contracts is provided by the members of the Michigan State Medical Society, and

"Whereas, the services provided by the members of MSMS have therefore become an item of negotiation and/or bargaining between labor and management, and

"Whereas, those who furnish the services involved in said service contracts have not been represented at such negotiations; therefore, be it

"RESOLVED: That MSMS be represented when negotiations and bargaining for such medical services are involved."

The Reference Committee spent a good deal of time discussing this, and in the discussion, which was open, free and friendly, it developed from information furnished to the Reference Committee that the intent of this resolution was to secure more detailed information of the proposed Michigan Medical Service contracts before they were submitted for negotiation.

The Reference Committee believes that representation at the bargaining table would not accomplish this purpose, and therefore unanimously recommends its disapproval. I so move.

J. D. MILLER, M.D. [Kent]: I second it. The purpose of this resolution has been accomplished at this point.

[*The motion was put to a vote and was carried unanimously.*]

XX—5(c). MSMS COUNCILOR DISTRICT REPRESENTATION ON MICHIGAN MEDICAL SERVICE BOARD OF DIRECTORS

E. A. OSIUS, M.D.: Resolution No. 11:

"Whereas, there is need for closer liaison between members of the Michigan State Medical Society and Michigan Medical Service, and

"Whereas, more direct representation would bring about closer co-operation with the doctors of medicine, therefore be it

"RESOLVED: That the Board of Directors of Michigan Medical Service contain an elected representative from each councilor district."

The Reference Committee approves the thought behind this resolution, and suggests, in view of Article X of the Articles of Incorporation of Michigan Medical Service, that the sponsor of the above resolution prepare and present a specific amendment to Michigan Medical Service at its annual meeting on September 30, 1958. I so move.

R. W. TEED, M.D. [Washtenaw]: Second the motion.
[The motion was put to a vote and was carried unanimously.]

XX—5(d). RULES OF CONDUCT FOR PHYSICIANS IN CLOSED PANEL PRACTICE

E. A. OSIUS, M.D.:
"Whereas, the United Mine Workers have a closed panel practice, and

"Whereas, other labor organizations have given their intention to develop new closed panel practice; therefore, be it

"RESOLVED: That the Michigan State Medical Society draw up rules of conduct for the individual doctor of medicine in his relationship to these health programs."

In answer to this resolution the Reference Committee recommends that no action be taken at this time on this resolution, in view of the fact that this same subject is still being discussed in the American Medical Association, with prospects of a report by their committee by December, 1958. (See pages 83, 84 and 85 in the Handbook.)

I move the adoption of this recommendation.

C. I. OWEN, M.D. [Wayne]: I second that motion.
[The motion was put to a vote and was carried unanimously.]

XX—5(e). EXPRESSION OF APPRECIATION TO RETIRING COUNCILOR J. F. BEER, M.D.

E. A. OSIUS, M.D.:
"Whereas, J. F. Beer, M.D., has served St. Clair County Medical Society as delegate for many years, and
"Whereas, during the past year he has served as Councilor for the Seventh District, and

"Whereas, it has been necessary for him to resign because of his health; be it therefore

"RESOLVED: That this House send a telegram of appreciation for his able work as a delegate and Councilor to this Society."

The Reference Committee recommends that this resolution be approved, and that appropriate steps be taken by the Secretary of the House of Delegates. I so move.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

E. A. OSIUS, M.D.: I now move the adoption of the report of the Reference Committee as a whole.

S. L. LOUPEE, M.D. [Cass]: Second the motion.
[The motion was put to a vote and was carried unanimously.]

THE SPEAKER: Thank you and your Committee, Dr. OSIUS.

[The Vice Speaker resumed the Chair.]

XX—6. ON SPECIAL MEMBERSHIPS

THE VICE SPEAKER: Next is the report of the Reference Committee on Special Memberships.

E. H. FENTON, M.D. [Wayne]: The Reference Committee on Special Memberships has reviewed the applications and recommends that the following special memberships be granted. We have divided these into sections, as we have done in previous years, namely, Life, Associate and Retired.

Life Memberships

Alpena County.—Harry J. Burkholder, M.D.
Genesee County.—Arthur C. Blakeley, M.D., Leon M. Bogart, M.D., Guy D. Briggs, M.D., Edwin G. Dimond, M.D., Roy A. McGarry, M.D., Ira D. Odle, M.D., William W. Stevenson, M.D., George D. Sutton, M.D., Grant Thorburn, M.D., Inga W. Werness, M.D.

Jackson County.—Corwin S. Clarke, M.D., W. B. Huntley, M.D.

Kent County.—Jacob D. Mulder, M.D.
Muskegon County.—Martha Goltz, M.D., Vilda S. Laurin, M.D.

Northern Michigan Counties.—James R. Stringham, M.D.

St. Clair County.—T. H. Cooper, M.D.
Shiawassee County.—Carleton A. Harkness, M.D.

Washtenaw County.—Margaret Bell, M.D.

Wayne County.—Mary B. Campbell, M.D., James A. J. Hall, M.D., Frederik E. Hansen, M.D., Arthur B. Henderson, M.D., Thomas G. Amos, M.D., Glenn B. Carpenter, M.D., Lona B. Carroll, M.D., Albert E. Catherwood, M.D., Thomas P. Clifford, M.D., Margaret W. Coleman, M.D., L. C. M. Conlev, M.D., Harry F. Dibble, M.D., Raymond S. Goux, M.D., Leo E. Grajewski, M.D., Robert I. Greenidge, M.D., Daniel I. Leit-hauser, M.D., Leon E. Pangburn, M.D., Alvord R. Sanderson, M.D., Ward F. Seeley, M.D., F. Janney Smith, M.D., Viola M. Young, M.D.

Wexford County.—W. J. Smith, M.D.
I move that Life memberships be granted to these individuals.

C. L. WESTON, M.D.: Second the motion.
[The motion was put to a vote and was carried unanimously.]

E. H. FENTON, M.D.: The second part of this report deals with Retired memberships.

Retired Memberships

Bay County.—Walter S. Stinson, M.D.
Ingham County.—Robert S. Breakey, M.D.
Saginaw County.—E. G. Schaiberger, M.D.
Muskegon County.—A. W. Mulligan, M.D.

Wayne County.—Harvey S. Broderson, M.D., Schuyler O. Cotton, M.D., Hugo O. Dietzel, M.D., Arthur L. Higbee, M.D., Hermann A. Lichtwardt, M.D., Walter E. McGillicuddy, M.D., John McKinnon, M.D., Julius Michels, M.D., Charles W. Peabody, M.D., Loren W. Shaffer, M.D., Alexander M. Stirling, M.D.

I move that these members be granted Retired membership.

C. I. OWEN, M.D.: Second the motion.
[The motion was put to a vote and was carried unanimously.]

E. H. FENTON, M.D.: The last category covers Associate memberships.

Associate Memberships

Muskegon County.—E. V. Williams, M.D.
Oakland County.—Dorothy M. Goerner, M.D., Edwin S. Peeke, M.D.

Saginaw County.—Raymond W. Dowidat, M.D., Robert D. Rector, M.D., James G. Kidd, M.D., Randall S. Derifield, M.D., Russell E. Pleune, M.D.

Wayne County.—Dorothy Caton, M.D., Daniel Donovan, M.D., L. E. Kamin, M.D., Harry Kirschbaum, M.D.,

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Frances L. MacCracken, M.D., Louis J. Morand, M.D., Harold Ohrt, M.D., Eugene, Secord, M.D., Gerald Shortz, M.D., Mary Stellhorn, M.D., Carl G. Weltman, M.D., Leslie Wilcox, M.D., Abraham R. Lincoln, M.D., Vincent Mancuso, M.D.

I move that these people be granted Associate memberships.

F. W. SMITH, M.D.: Second.

[The motion was put to a vote and was carried unanimously.]

E. H. FENTON, M.D.: I move the adoption of this report as a whole.

W. S. REVENO, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

XX—7. ON HYGIENE AND PUBLIC HEALTH

XX—7(a). STUDY COMMITTEE ON ALCOHOLISM

O. K. ENGELKE, M.D. [Washtenaw]: The Reference Committee on Hygiene and Public Health had three resolutions referred to it for review. One was a resolution submitted by Dr. R. H. Pino of Wayne, regarding a study of alcoholism.

The Reference Committee is in sympathy with this problem and has clarified Dr. Pino's resolution, not attempting to change the sense of the resolution in any way, as follows:

"Whereas, alcohol consumption is an important factor in the incidence of disease and death in America; therefore, be it

"RESOLVED: That The Council of the Michigan State Medical Society establish a committee to study this problem, and that this committee's findings be reported by The Council to the next annual meeting of the House of Delegates."

I move the adoption of this resolution as reworded and clarified.

J. C. DANFORTH, M.D. [Wayne]: I second the motion.

[The motion was put to a vote and was carried unanimously.]

XX—7(b). DISTRIBUTION OF FREE POLIO VACCINE TO MEDICALLY INDIGENT

O. K. ENGELKE, M.D.: Dr. Gittin's resolution regarding poliomyelitis vaccine has been revised somewhat by the Reference Committee.

It is the Reference Committee's idea that it says essentially the same thing as does the original resolution. If you wish, I will read the revised resolution, or the original and then the revision, whatever is the pleasure of the House.

The resolution as revised by the Reference Committee reads as follows:

"Whereas, the City of Detroit and County of Wayne are in the course of a serious outbreak of poliomyelitis, and

"Whereas, this high incidence and severity of the disease is indicative of the fact that portions of the population of the County of Wayne and possibly the State of Michigan are inadequately protected against this serious disease, and

"Whereas, the Michigan State Department of Health does at the present time and has for many years distributed various types of vaccine for the prevention of certain communicable diseases, and

"Whereas, no State-provided poliomyelitis vaccine is currently available for distribution to indigent people among whom the disease is showing its highest incidence; therefore, be it

"RESOLVED: That additional funds be made available by the Legislature and Governor to permit the Michigan Department of Health to acquire and distribute such polio vaccine to the medically indigent as soon as possible."

I move the adoption of this resolution.

F. W. BASKE, M.D. [Genesee]: Second the motion.

[The motion was put to a vote and was carried unanimously.]

XX—7(c). RESPONSIBILITY FOR TREATMENT OF DIABETES MELLITUS

O. K. ENGELKE, M.D.: Your Reference Committee had resolution referred to it, regarding the activities of the Michigan State Medical Society in diabetes detection, education and control. After an extensive discussion, in which the introducer, Dr. Adler, and others who are extremely interested in this program presented their points of view, and after discussions subsequently with others in the Society who are interested in diabetes control, the Reference Committee is convinced that the sense of this resolution, which was to the effect that the Michigan State Medical Society work toward the assumption of leadership in this field, has been met through the appointment of the new committee as announced in the business of the Council, namely, the Committee on Diabetes Control.

The Reference Committee therefore believes that this resolution as presented is unnecessary, and it is therefore disapproved.

I move it be disapproved.

F. W. SMITH, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

O. K. ENGELKE, M.D.: I move the acceptance of the report of the Reference Committee as a whole.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

XX—8. ON LEGISLATION AND PUBLIC RELATIONS

XX—8(a). FUND RAISING—FEDERATED AND OTHERWISE

W. W. BABCOCK, M.D. [Wayne]: We shall consider two resolutions that deal basically with fund raising.

The Reference Committee on Legislation and Public Relations believed that it would be wise to combine these two resolutions and consider them in one resolution, inasmuch as they pertain to the same subject. With the Chair's permission I will omit the "Whereas" clauses and will read the two "Resolved" clauses.

The Beets Resolution:

"RESOLVED: That the House of Delegates rescind the 1957 resolution endorsing federated fund raising, and approve individual campaigns if the objectives of such an organization meet with the full approval of the local medical society.

The Hansen Resolution:

"RESOLVED: That the House of Delegates of the Michigan State Medical Society approves in principle the right of all national voluntary (single disease) health organizations to utilize the type of fund raising program that best suits their individual purposes and program."

The previous action of the House of Delegates is in your Handbook, page 31, Section 8-A, and reads as follows: "Federated fund raising—approved in principle."

In its deliberations your Reference Committee felt about this problem much as follows:

1. That it is the privilege of any national agency to collect funds as they wish. We feel that this is in keeping with the American way of life.

2. No matter what we as a Society do about it,

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decisions will continue to be made relative to the mode of collecting such funds on a local basis.

3. Our Reference Committee received no information that the situation had changed in such a way that it would require the reversal of the House of Delegates' formal action at its meeting in 1957.

4. The Reference Committee sees no reason to rescind the action of the 1957 House of Delegates in approving in principle federated fund raising.

Therefore, the Reference Committee recommends to the House of Delegates that no action be taken on resolutions Nos. 2 and 23.

I move the adoption of this portion of our report.

C. I. OWEN, M.D.: Second the motion.

[*Extensive discussion followed.*]

W. C. BEETS, M.D.: I move that the main motion and amendment be referred again to the Reference Committee.

J. M. WELLMAN, M.D.: Second the motion.

THE VICE SPEAKER: It is moved and seconded that this portion of the report of the Reference Committee, including the amendment, be referred back to that Committee. Is there further discussion?

[*The motion was put to a vote and was carried unanimously.*]

XX-8(b). RULES FOR CONTROL OF MEDICAL STAFF IN PUBLIC HOSPITALS

W. W. BABCOCK, M.D.: We shall now take up the resolution introduced by Dr. Furlong of Oakland County.

Mr. Speaker, your Reference Committee Chairman believes that this resolution should be read in its entirety, as the Reference Committee has suggested changes.

"Whereas, the right of the Pontiac General Hospital to have rules and regulations for the control of professional medical practice within the Hospital has been challenged by litigation in the Circuit Court of Oakland County, and

"Whereas, it is the standard practice of approved hospitals throughout the United States and Canada to have such rules and regulations for the control of professional practices within the hospital, and

"Whereas, it is one of the fundamental requirements of the Joint Commission on Accreditation of Hospitals that all hospitals so approved by the Commission shall have in effect constitutions, bylaws, and rules and regulations controlling the admission of members of the staff and professional practice within the hospital, and

"Whereas, the present laws controlling the Board of Registration in Medicine do not cover this matter, and

"Whereas, the litigation in the Circuit Court of Oakland County cites the issuance of the license to practice medicine, and that it is taken to mean that the hospital has no right to restrict the practice of any doctor within the hospital, and

"Whereas, in 1957 the Oakland County Medical Society by resolution asked the House of Delegates to take action to initiate the necessary legislation in Michigan to clearly establish the right of a public hospital to have rules and regulations for the control of the medical staff, and

"Whereas, even a favorable decision in the Circuit Court of Oakland County may result in an appeal to the Supreme Court of the State of Michigan, and

"Whereas, The Council of the Michigan State Medical Society could prepare legislative recommendations for action at the next session of the Legislature; therefore, be it

"RESOLVED: That the House of Delegates of the Michigan State Medical Society requests The Council

of the Michigan State Medical Society to seek with other interested parties, namely, the Michigan Hospital Association, legislation to clearly establish the right of a public hospital in Michigan to have rules and regulations for the control of the medical staff."

The Reference Committee considers that in no way did they alter the intent of this resolution. They made some changes in grammar which they thought were for the better.

Mr. Speaker, I move the adoption of this portion of our report.

J. D. MILLER, M.D. [Kent]: I second the motion.

S. L. LOUPEE, M.D. [Cass]: I move that the report be amended by substituting the word "guidance" for "control."

J. D. MILLER, M.D.: I second that.

J. D. MILLER, M.D.: May I call for the question on the amendment?

[*The amendment was put to a vote and was lost.*]

J. D. MILLER, M.D.: Now I move that this matter be referred back to the Reference Committee, for consultation with legal counsel and restatement of the matter in such a way that it will be legally sound and will serve the good purpose of helping our medical compatriots in Pontiac to conduct a practical and ethical practice.

S. L. LOUPEE, M.D.: I support that motion.

[*Dr. Loupee subsequently withdrew his second, and the motion was seconded by R. A. Rasmussen, M.D.*]

THE VICE SPEAKER: We are now voting to refer this back to the Reference Committee for legal opinion and advice.

[*The motion was put to a vote and was lost.*]

THE VICE SPEAKER: You are now voting on the motion to approve the report of the Reference Committee as read by Dr. Babcock. . . . The question has been called for. We shall vote on this portion of the Reference Committee's report as recommended by the Chairman.

[*The motion was put to a vote and was carried unanimously.*]

XX-8(c). PROPOSED LAW TO REGULATE OPERATION OF AMBULANCES

W. W. BABCOCK, M.D.: A resolution concerning Regulation of personnel, equipment and speed of ambulances was introduced by Dr. H. W. Harris of Ingham.

Your Reference Committee has again altered this resolution. We have substituted an entirely different resolution. The reason the resolution was altered was because the Reference Committee felt that it was not within the purview of the House of Delegates to introduce specific legislation. We felt this to be the responsibility of the Legislative Committee working in co-operation with the Legislature of the State of Michigan.

As a consequence, the entire "Resolved," sections 1, 2, 3, 4, 5 and 6 have been completely deleted. There were minor grammatical changes in the "Whereases" which you will notice as I read the new resolution with the suggested changes.

"Whereas, transportation of the sick and injured is of vital concern to all citizens of the State of Michigan, and

"Whereas, it is of particular concern to all physicians, and

"Whereas, there is presently no law in this State to require properly trained personnel or equipment, or to regulate the speed of ambulances; therefore, be it

"RESOLVED: That The Council of the Michigan State Medical Society be requested to use its influence through its Legislative Committee to have legislation introduced into the coming session of the Legislature of the State of Michigan to control the operation of vehicles engaged in the business of transporting sick or injured persons, to provide qualifications for drivers and attendants, to require the provision of equipment for first aid, splinting and bandaging, and to require periodic inspection of equipment and personnel, and to provide penalties for violations."

I move the adoption of this portion of the Reference Committee's report.

R. W. TEED, M.D.: Second the motion.

H. W. HARRIS, M.D.: I wish to thank the Reference Committee for at least preserving the gist of this resolution. It properly covers what we had in mind. However, I was unable to attend the meeting of this Reference Committee, and there are some facts which probably should be brought out.

In the first place, this proposed legislation was not written on the spur of the moment. This was written by the Trauma Committee of the College of Surgeons of the State. I presented it not as my resolution but as theirs. It was written after having been carefully checked legally. It was checked also by the Chairman of the Legislative Committee as to whether he would be willing to introduce such a resolution or such legislation.

So, after all that work, I would like in some way to get the wording of this proposed legislation into the hands of the Legislative Committee with the endorsement of this House of Delegates.

This matter was brought up at our June meeting in Hidden Valley, and there was considerable discussion as to the reasons for its adoption and for our getting behind it. I do not think I need to go into that. Everybody knows it is important that injured people particularly, in highway accidents, and so on, be treated with some respect and with care. I think most of us know, certainly those who treat these patients, that that is not presently true.

The problem of how best to handle this has come up. I am aware that Flint and Pontiac and maybe another county or two have city ordinances that cover this pretty well. We have discussed it and attempted perhaps feebly to get such an ordinance in Lansing. Even though we did get such an ordinance, it would not really rectify the situation, because we would have no control over outgoing ambulance drivers, and therefore it would be still a local proposition.

It is the opinion of the trauma group that the only way to really do this is by states. As you may know, several states have such legislation, and we think we are long past due for some legislation here. It may be that this should be passed on to The Council. I have no objection to that. I was not aware that the Legislative Committee was any more subservient to The Council than is the House. If true, that's all right.

The main reason for my standing up is to get the wording of this resolution, which has been worked on all summer, into the hands of the Legislative Committee.

F. L. TROOST, M.D.: This was prepared by the Trauma Committee, as Dr. Harris said. It reads as though it would take care of trauma only. I have more patients who require oxygen than I have patients who require Thomas splints. If it is not anticipated that that be part of the equipment, then I certainly think it should be.

THE VICE SPEAKER: Are you ready to vote?

[The motion was put to a vote and was carried, with one "no" vote.]

JANUARY, 1959

XX—8(d). SPONSORSHIP OF ASSOCIATION OF AMERICAN PHYSICIANS AND SURGEONS ESSAY CONTEST

W. W. BABCOCK, M.D.: Your Reference Committee discussed this resolution at considerable length. You have the resolution before you, so I shall not bore you with its re-reading.

The Committee on Legislation and Public Relations was favorably inclined to the basic principles embodied in the substance of this resolution. However, we learned that public school authorities do not approve of controversial contests of this type. We felt that the basic principle was good, and the Reference Committee was unanimously in sympathy with the viewpoint of the author of this resolution. We also felt that active participation by the Michigan State Medical Society might be harmful both to MSMS and the basic principles stated.

We therefore considerably amended the resolution. The first four "Whereases" were left intact. The final "Whereas" was completely deleted, and the approved "Resolved." The resolution finally reads:

"Whereas, the medical profession is a group of strong individuals, proud of their heritage, their independence and their professional attainments in providing the American people with the highest standards of medical care in the world, and

"Whereas, these high standards were accomplished under a system of private practice in which each individual physician served his patients faithfully, applying his medical knowledge and skills to the best of his ability in order to survive in medical competition, and

"Whereas, the Essay Contest for High School Students, through twelve consecutive years of sponsorship, has demonstrated its value as an educational program for informing high school students on the advantages of the system of private practice of medicine and the system of American free enterprise, and

"Whereas, the task of informing students must be sustained from year to year because each year new groups of students are brought into the high schools, therefore be it

"RESOLVED: That the House of Delegates of the Michigan State Medical Society voice no objection to such a contest by the Association of American Physicians and Surgeons."

I move the adoption of this portion of the report.

R. W. TEED, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

W. W. BABCOCK, M.D.: The Chairman of this Reference Committee would be remiss if he did not express his sincere appreciation for the help of all the members of the Reference Committee, also Mr. Hugh Brenneman and the Councilors present at our meeting, along with other visitors. The Reference Committee was in 100 per cent attendance, and all stayed until our work was completed.

Thank you and your Committee, Dr. Babcock.

XX—9. ON MISCELLANEOUS BUSINESS

XX—9(a). MICHIGAN MEDICAL SERVICE REPORT

F. W. SMITH, M.D. [Clinton]: The Reference Committee on Miscellaneous Business had three matters to consider. First was the report of Michigan Medical Service as shown on page 96 of the Handbook.

This report was read and reviewed by the Reference Committee, and we found no fault with it.

We move that the report be accepted as printed.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

DIGEST OF PROCEEDINGS, HOUSE OF DELEGATES

XX—9(b). ALPHABETICAL LISTING OF MEMBERS

F. W. SMITH, M.D.: The second matter was a resolution re alphabetical list of members:

"Whereas, the Directory of Members as published by the Journal of the Michigan State Medical Society is of great value, and

"Whereas, the use of this publication would be greatly facilitated by inclusion of an alphabetical listing of names with identifying county society; therefore, be it

"RESOLVED: That the Publication Committee of the Journal of the Michigan State Medical Society include such a list in that Directory."

The Reference Committee considered this resolution and wishes to amend the "Resolved" portion to read:

"RESOLVED: That such a list be maintained in the Executive Office of the Michigan State Medical Society."

I move the adoption of this resolution as amended.

R. F. FENTON, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

XX—9(c). NO HOUSE OF DELEGATES MEETING ON SUNDAY, UNLESS NECESSARY

F. W. SMITH, M.D.: This resolution is brief also, and I shall read it.

"Whereas, Sunday should be a day of rest and is much treasured by the average doctor of medicine and especially by his family, and

"Whereas, the religious conviction of many members of the Michigan State Medical Society and its delegates are opposed to conducting unnecessary business on Sunday; therefore, be it

"RESOLVED: That the House of Delegates not meet on Sundays."

The Reference Committee considered this resolution and wishes to change the "Resolved" to read:

"RESOLVED: That the House of Delegates do not meet on Sundays unless deemed necessary."

I move the adoption of this resolution as amended.

[The motion was severally seconded.]

[The motion to adopt the resolution as amended was put to a vote and was carried unanimously.]

F. W. SMITH, M.D.: I move the adoption of the entire report.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

[The Speaker resumed the Chair and the meeting was recessed at 11:10 p.m.]

TUESDAY MORNING SESSION

September 30, 1958

The meeting reconvened at 9:15 a.m., J. J. Lightbody, M.D., Vice Speaker of the House of Delegates, presiding.

XX—10. ON REPORTS OF THE COUNCIL

XX—10(a). ANNUAL REPORTS OF THE COUNCIL

The Reference Committee on Reports of The Council has carefully studied the published annual report on page 51 of the Handbook and the supplemental annual report of The Council.

The Reference Committee is impressed with the tremendous service that The Council and its committees

have rendered to the Michigan State Medical Society. The scientific programs carried out during the year are to be commended. We note with approval the contribution of the specialty groups in offering programs to the county societies.

On page 53, the financial report was reviewed and approved. It is recommended for study by all members of the Society.

On page 54, the Journal is complimented for its continued high quality of scientific articles and format. It received special recognition at the World Medical Editors' Society meeting this year.

On page 57, note is taken of the suggested Constitution and Bylaws for Component County Societies, drafted by a committee of The Council. All county societies are urged to utilize this information.

On page 59, the Reference Committee approves the action of the Public Relations Committee, and specially notes the organization of the Michigan Association of Professions.

On page 60, the Reference Committee approves a continuing program to assure and create public confidence in prepayment principles.

On page 61, the Reference Committee heartily commends the Woman's Auxiliary for its fine contributions to the many programs of the Michigan State Medical Society. Recognition of this service has also been taken by other committees.

On page 62, the Reference Committee approves The Council's actions in contacts with governmental and voluntary agencies. Your Reference Committee commends the Genesee County Medical Society for its participation in the National Science Fair, held in Flint in May, 1958, and recommends participation locally to other county societies.

On pages 65 through 74, the service of the twenty-five committees of the Michigan State Medical Society and The Council is recognized. Special note is taken of the work of the Committee on Courses on Medical Economics and Ethics, given at the University of Michigan. It is hoped that Wayne State University may soon see fit to include this desirable program.

Page 70: Since no matters were referred to the Liaison Committee with Michigan Medical Service during this important year, it would seem that this Committee is unnecessary, and further action on this matter is left to The Council.

Page 75: The Reference Committee feels that a great deal has been accomplished by Legal Counsel Lester P. Dodd in his many opinions to The Council and its committees.

The Reference Committee now moves the adoption of its report to this point.

E. C. TEXTER, M.D. [Wayne]: Second the motion.

[The motion was put to a vote and was carried unanimously.]

XX—10(a). NEW MSMS HEADQUARTERS BUILDING

J. B. BLODGETT, M.D. [Wayne]: The Reference Committee studied at length the matter of the new headquarters building, and had the advice of the Chairman of the Committee on the Big Look, Dr. William S. Jones, and also of the architect, Mr. M. Yamasaki, clarifying many of the questions which were not covered in the presentation made Sunday night. We are assured by Dr. Jones that water, sewer and public utilities are available from East Lansing.

We recommend that the House of Delegates approve the construction of the new building as presented in Dr. Jones' report. The Reference Committee also recommends that a five-year option be taken as soon as feasible on adjacent land.

I move the adoption of this portion of the report.

R. W. TEED, M.D.: Second the motion.

DIGEST OF PROCEEDINGS, HOUSE OF DELEGATES

[The motion was put to a vote and was carried unanimously.]

J. B. BLODGETT, M.D.: On page 76 begin matters referred to The Council by the 1957 House of Delegates.

XX—10(a). MATTERS REFERRED TO THE COUNCIL BY 1957 HOUSE OF DELEGATES

The Reference Committee approves the action of The Council in all matters referred to it by the 1957 House of Delegates. We especially note, under item C, referring to the adoption by The Council of the recommendations of the Medical Care Insurance Committee and the M-75 contract of the Michigan Medical Service, the authority for which was given to them by the House of Delegates at its meeting in 1957. This action is recorded in the digest of the Proceedings of the 92nd annual session, on page 136.

The Reference Committee does not mean to pass on this action, but wishes to point out that The Council had authority for this action clearly given to it by the House of Delegates in 1957.

In the supplemental annual report of The Council attention is drawn to the annual report of the Committee on Study of Insurance Programs for Michigan State Medical Society members with respect to the proposed plan of group life insurance. This has been separately mimeographed for your study.

The Reference Committee requests the privilege of having the Chairman of this Committee, Dr. M. A. Darling, present this plan to you for your consideration; but since it is not mimeographed at this time, we would like to defer this portion of the report.

The Reference Committee will then recommend approval and implementation of this program.

XX—10(a). MEDICARE

Reference in The Council's report to the revised Medicare contract is quoted verbatim:

"The revised Medicare contract, effective April 1, 1958, includes cutbacks in services that render this program less valuable and effective to the recipients. Criticisms from these folk—most of it leveled against the medical profession—will undoubtedly result. The Council, therefore, recommends that a resolution adopted by the South Dakota State Medical Association (see addenda) be supported by the American Medical Association delegates from Michigan, and further that one MSMS delegate from Michigan be authorized to attend an AMA-sponsored meeting on this subject to be held in Minneapolis on December 1, 1958."

Now I shall read the recommendation again, and the resolution from South Dakota.

"The Council therefore recommends that the resolution as adopted by the South Dakota Medical Association be supported by the AMA delegates from Michigan." This is a recommendation, then, to our AMA delegates to support the South Dakota resolution, which I will read. Perhaps I should add that one portion of the resolution recommends the giving up of the Medicare program, and I suggest you pay careful attention.

"The Council of the South Dakota State Medical Association, meeting in official session at Huron, South Dakota, Sunday, September 14, 1958, adopted the following resolution:

"Whereas, the Dependents Medical Care Act was inaugurated for the avowed purpose of improving troop morale by provision of so-called industrial type 'fringe benefits,' and

"Whereas, the original program, which was generally satisfactory to patient and doctor alike, has been altered by congressional and Office of Dependent Medical Care action to the point where the basic tenets of the plan have been abandoned, and

"Whereas, the physicians of this State have given their

support and co-operation to the proposal which some deemed to be at variance with their ideals of private enterprise, only to have the program reduced to a confusing half-entity; now, therefore, be it

"RESOLVED: That the South Dakota State Medical Association assert its opposition to the new Medicare program and that the following recommendations be considered:

"1. Complete eradication of the Medicare program.

"2. Creation of a group insurance program for military dependents, allowing free choice of military or civilian facilities.

"3. Return to the original program with adequate appropriations for its maintenance.

"And be it further

"RESOLVED: That copies of this resolution be forwarded to the members of the South Dakota congressional delegation, the Board of Trustees of the American Medical Association, and the several state medical associations."

Your Reference Committee approves this section of the report and moves its adoption.

[The motion was severally seconded.]

W. W. BARCOCK, M.D.: It is my understanding that the State of Texas has already completely dropped the Medicare program. The Medicare program as presently changed by governmental action is very much emasculated in comparison to the original program, and I think it might be apropos (and I am very definitely in favor of Dr. Blodgett's recommendation) if this State Society formed a study committee to consider similar action to that taken by the State of Texas.

Not only can we work on a national basis, but we don't know what the result will be in December on a national basis relative to Medicare. If we so desire, we can act as a State. I think consideration should be given to the formation of a study committee of some sort from either The Council or the House to study this situation and bring recommendations to the House of Delegates.

THE VICE SPEAKER: Is there any further discussion?

The question is called for. Are you ready to vote?

[The motion was put to a vote and was carried unanimously.]

XX—10(a). GROUP LIFE INSURANCE PLAN

J. B. BLODGETT, M.D.: Gentlemen, you have before you the proposed life insurance plan, and I would like to go back in the report, if I may, to this subject and read it again.

In the supplemental annual report of The Council, attention is drawn to the annual report of the Committee on a study of insurance programs for MSMS members with respect to the proposed plan of group life insurance. This has been separately mimeographed for your study, and you have it before you.

At this time the Committee requests the privilege of asking the Chairman of the Insurance Committee, Dr. M. A. Darling, to present this proposal and discuss it. The Committee will then recommend approval and implementation of this program. This Committee has studied this insurance plan and believes it is good, and will recommend it to you.

THE VICE SPEAKER: Hearing no objection, the request is granted.

M. A. DARLING, M.D. [Wayne]: This matter was referred to a committee of The Council that had to do with our other types of insurance. We are not insurance experts. This matter came to our attention last spring, and we proceeded to attempt to get what information we could in a reasonable length of time on this matter.

DIGEST OF PROCEEDINGS, HOUSE OF DELEGATES

For your information, a survey was made and a large number—64 per cent—of the members of the Society polled indicated that they would like to have some form of group life insurance available to them.

There are various ways of approaching this question. One is straight term insurance, with which we are all familiar. The second is straight life insurance. The third is a combination of the two plans.

The Committee employed the services of an insurance expert, and the plan devised was one that resulted from the study of several plans available. This plan, we feel, makes an ideal solution for the average young man or any member of the Society at a reasonable cost.

The main features, as you will note, are that term insurance is made available at a nominal expense. It may be converted any time to any other type of insurance offered by the carrier. In addition, for the sum of \$1 per \$1,000, added insurance may be taken covering accidental death, doubling the amount.

A feature that impressed the Committee particularly was that under age thirty-five a sum in addition to the \$10,000 maximum, which is limited by law, can be obtained from the carrier, the sum of \$12,500, which makes a very attractive form of insurance. The Committee wholeheartedly recommends this type of insurance, as shown on the mimeographed pages that have been handed to you. We hope the Society will act favorably upon it.

If 25 per cent of the members adopt this policy it will go into effect, they assure us, within a matter of sixty days. After that time it is hoped that within a reasonable time it will approach something like 50 per cent, which the insurance authorities claim is about the average amount required.

It should be borne in mind that this type of insurance is available to the members of the Michigan State Medical Society. The plan is prepared for them at a much lower rate than it could otherwise be obtained, and without the necessary qualifications of insurability.

The company, the Mutual Benefit Life Insurance Company of New Jersey, was chosen upon recommendation of the consultant after several other plans and company proposals had been considered. I don't think there is any reason to stress the importance of this Company, because they have been in business for 113 years, during 100 of which they have transacted and sold insurance in the State of Michigan.

THE VICE SPEAKER: Are there any questions that any of the delegates would like to ask Dr. Darling?

W. C. BEETS, M.D.: I have a question. It says that they "may" pay these dividends to the members. Does that mean they might or that they positively will, or will they keep it?

M. A. DARLING, M.D.: The Committee recommended that all monies received in excess could be returned to the individual policyholder, whatever dividend he is entitled to.

I might add further that the Committee did not attempt to pass upon the method of passing it on, because that is a mechanical procedure for the office and the Society to determine; but we did insist that the dividends be returned to the insureds.

W. C. BEETS, M.D.: If over forty, he must be physically insurable?

M. A. DARLING, M.D.: He should be reasonably insurable over age forty. He would not be held strictly to the ordinary procedures of old-line life insurance.

M. A. HAANES, M.D. [Oakland]: On the matter of being able to obtain additional insurance, the words "permanent life insurance coverage" are stated. Does

this imply that this is to be straight life insurance, or would it be term insurance on the same basis as in the above?

M. A. DARLING, M.D.: At the pleasure of the insured, at any time during the life of the contract the holder may request and receive transmission to any other type or form of insurance by the carrier, be it ordinary life, ten- or twenty- or thirty-pay life, endowment, retirement, or what not.

THE VICE SPEAKER: Any further questions? Thank you very much, Dr. Darling.

J. B. BLODGETT, M.D. [Wayne]: Your Reference Committee approves the recommendation of the Insurance Committee that this plan be adopted and implemented, and so moves.

FELIX S. ALFENITO, M.D. [Kent]: Second the motion. [*The motion was put to a vote and was carried unanimously.*]

J. B. BLODGETT, M.D.: We shall now continue with the supplemental report of The Council.

XX—10(a). HOSPITAL STAFF PAYMENTS

Your Reference Committee approves the action of the Liaison Study Committee on Hospital Staff Payments, codified in the following resolution, and I will read it in its entirety so that you will understand the problem.

"Whereas, attention of the Michigan State Medical Society has been invited to the problem of payment for medical and surgical services rendered by interns and residents, and

"Whereas, the medical profession has traditionally been opposed to payment of services so rendered, and

"Whereas, such payments can be construed as a definite threat to the private practice of medicine; therefore, be it

"RESOLVED: That the Michigan State Medical Society go on record as condemning as unethical practice the collection of or the attempt to collect fees for services rendered by interns and residents unless such services are rendered under direct supervision of and upon the responsibility of a staff member of a hospital having an American Medical Association approved training program, and which staff physician is also engaged in the active practice of medicine, and unless the fees so collected are devoted to furtherance of medical education and research; and be it further

"RESOLVED: That the Michigan State Medical Society implement this resolution through its own organization and that it use its best efforts to further implement this resolution through the House of Delegates of the American Medical Association, the Joint Commission on Accreditation of Hospitals, and the governing boards of hospitals in Michigan."

Your Reference Committee moves the adoption of this portion of the report.

J. A. KASPER, M.D. [Wayne]: I second the motion.

E. J. TALLANT, M.D. [Wayne]: I would like to ask Dr. Blodgett, if he will, to define what he means by "active practice of medicine." There are many categories that could be covered by that phrase. I think I know Dr. Blodgett's intent.

J. B. BLODGETT, M.D.: The Committee was taking action on this report which was submitted to it by the Liaison Committee, and we assumed the Liaison Committee meant "in practice."

[*The motion was put to a vote and was carried unanimously.*]

DIGEST OF PROCEEDINGS, HOUSE OF DELEGATES

J. B. BLODGETT, M.D.: The Council offers five recommendations to the House of Delegates, as follows:

1. That The Council be authorized to send MSMS representatives to Washington, D. C., in 1959 on the occasion of the Annual Michigan Day, as recommended by last year's House of Delegates.

Your Reference Committee approves this recommendation, and so moves.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

J. B. BLODGETT, M.D.: 2. That every member of the Michigan State Medical Society be urged to become affiliated with the Beaumont Memorial Foundation either as a Life Member (\$100) or a Sustaining Member (\$5 per annum).

Your Reference Committee points up that the members be urged to do so, and not that they must do it. This is a private matter.

We move the approval of this recommendation.

R. W. TEED, M.D. [Washtenaw]: Second the motion.
[The motion was put to a vote and was carried unanimously.]

J. B. BLODGETT, M.D.: 3. That The Council be authorized to institute necessary research in the economic aspects of the practice of medicine as these factors pertain to administration of medical service and insurance programs.

The Reference Committee recommends that The Council take a thorough look at the budget before authorizing this research.

The Reference Committee approves this recommendation and so moves.

J. D. MILLER, M.D. [Kent]: Second.
[The motion was put to a vote and was carried unanimously.]

J. B. BLODGETT, M.D.: 4. That The Council be authorized to arrange councilor conferences prior to the Annual Session, to continue communication with and impart information to the membership.

Your Reference Committee moves approval of this recommendation.

C. L. WESTON, M.D. [Shiawassee]: Second the motion.

[The motion was put to a vote and was carried unanimously.]

J. B. BLODGETT, M.D.: 5. That The Council, having approved the architect's final preliminary plans for the new MSMS building, respectfully recommends their adoption by the House of Delegates.

The Reference Committee moves approval of this recommendation.

C. W. OAKES, M.D. [Huron]: I second that.
[The motion was put to a vote and was carried unanimously.]

XX—10(b). FEE COMMITTEES SHALL WORK UNDER THE COUNCIL

J. B. BLODGETT, M.D.: Your Reference Committee had two separate resolutions referred to it. The first was a resolution introduced by Dr. Miller of Kent, and reads as follows:

"Whereas, many of the present misunderstandings in regard to fees are the result of multiple committees on fees whose authority is not clearly understood and is frequently overlapping; therefore, be it

"RESOLVED: That the Permanent Advisory Committee on Fees of this House of Delegates be instructed to work with The Council when this House is not in session, and that all other committees on fees of the Michigan State Medical Society work under its direction.

The Reference Committee considered this resolution and points out that since all other committees on fees are committees of The Council and report to The Council, we recommend a change in the wording of the

"Resolved" and not in the intent of the resolution, as follows:

"RESOLVED: That the Permanent Advisory Committee on Fees of the House of Delegates be instructed to work with The Council when this House is not in session, and that all decisions of The Council regarding fees be reported to the Permanent Advisory Committee on Fees of the House of Delegates."

The Reference Committee moves the adoption of this resolution as amended.

R. W. TEED, M.D.: Second the motion.
[The motion was put to a vote and was carried unanimously.]

XX—10(c). PUBLICATION OF NAMES OF PHYSICIANS PARTICIPATING IN BLUE SHIELD

J. B. BLODGETT, M.D.: The second resolution referred to this Reference Committee was that submitted by Dr. R. A. Rasmussen, of Kent, and it reads as follows:

"Whereas, it appears that a policy may be developing to publish the names of participating and nonparticipating physicians in Michigan Medical Service, and

"Whereas, such publication is discriminatory, damaging, restrictive and coercive to the profession and the individual physician, and

"Whereas, participation in any voluntary program is the prerogative of the individual; therefore, be it

"RESOLVED: That the House of Delegates of the Michigan State Medical Society instruct Michigan Medical Service or any other company or organization that such lists shall not be published or otherwise disseminated."

The Reference Committee approved this resolution, and slightly changed the wording in the "Resolved" to remove the word "instruct," rewording it to read:

"RESOLVED: That the House of Delegates of the Michigan State Medical Society request the governing body of the Michigan Medical Service and of any other approved carrier that such lists shall not be published or otherwise disseminated."

The Reference Committee moves approval of this resolution as amended.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

J. B. BLODGETT, M.D.: Your Reference Committee moves the adoption of this report in its entirety.

F. L. TROOST, M.D. [Ingham]: Second the motion.
[The motion was put to a vote and was carried unanimously.]

J. B. BLODGETT, M.D.: The Chairman wishes to express his thanks to the members of the Reference Committee for their co-operation and help in the preparation of this report.

The Reference Committee wishes to thank Dr. W. B. Harm, the Councilor; Dr. William S. Jones, and Dr. Milton A. Darling for their very real assistance and information.

THE VICE SPEAKER: Thank you and your committee for an excellent report, Dr. Blodgett.

XX—10(d). MOTION OF COMMENDATION TO THE COUNCIL

R. W. TEED, M.D. [Washtenaw]: Mr. Vice Speaker, I think it is obvious from this report and from other reports the House has received that The Council has carried on a tremendous amount of work in support of the policies that were laid down by the House of Delegates

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last year, and in furtherance of the work of the Michigan State Medical Society.

Therefore, sir, I would like to move that this House express commendation for the excellent work done by The Council in the past year.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

THE VICE SPEAKER: Dr. Wiley is here, and I think he should take a bow for The Council. *[Applause]*

XX—3(e). PERMANENT ADVISORY COMMITTEE ON FEES

D. W. THORUP, M.D. [Berrien]: I have a supplemental report of the Reference Committee on Reports of Special Committees. This concerns the report of the Permanent Advisory Committee on Fees.

This Committee met on two occasions during the past year to clarify its function and perform such duties as were presented to it. This Committee has co-operated with the Medical Care Insurance Committee, and a member has been invited to attend the meetings of the Medical Care Insurance Committee.

It is the opinion of the Reference Committee that the Advisory Committee on Fees is performing its duties.

I move the adoption of their report.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

D. W. THORUP, M.D.: I now move adoption of the report of this Reference Committee as a whole.

C. W. OAKES, M.D. [Huron]: Second the motion. *[The motion was put to a vote and was carried unanimously.]*

THE VICE SPEAKER: Thank you and your Committee, Dr. Thorup.

XX—11. ON RULES AND ORDER OF BUSINESS

XX—11(a). ONE FULL DAY FOR REFERENCE COMMITTEE MEETINGS

A. C. STANDER, M.D. [Saginaw]: The Reference Committee on Rules and Order of Business was given the following resolution:

"Whereas, the proceedings of the reference committees are of extreme interest to all members, and

"Whereas, members may wish to attend all meetings of the reference committees; be it therefore

"RESOLVED: That hereafter one whole day of the session be specifically designated for reference committee activities; and be it further

"RESOLVED: That no other activity of the House of Delegates be conducted on this designated day."

The Reference Committee has discussed this resolution and recommends its disapproval on the basis that it is impractical and would undoubtedly require an additional day of meeting.

I move that the action of the Reference Committee be approved.

F. L. TROOST, M.D. [Ingham]: Second the motion. *[The motion was put to a vote and was carried, with one "no" vote.]*

A. C. STANDER, M.D.: I would like to thank the members of our Committee for their great deliberations of this momentous resolution, and I move acceptance of our report as a whole.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

THE VICE SPEAKER: Thank you and your Committee, Dr. Stander.

[The Speaker resumed the Chair.]

XX—3(e). QUESTION RE TERMS OF MEMBERS OF PERMANENT ADVISORY COMMITTEE ON FEES

THE SPEAKER: May I add my personal thanks to those of this House for its vote of appreciation of the work done by The Council. I think the amount of time and energy that is spent by these men is tremendous, and it is all done in the best interests of the profession of medicine in this State.

I would very much appreciate it if someone in this House would take the responsibility of introducing a resolution concerning the membership of the Permanent Advisory Committee on Fees. If you will recall, when that Committee was created originally there was no method of its determination made, either as to its number or its permanency.

I realize you intended that it be permanent, but I don't know whether you also intended that its members be permanent. It has seemed to your Speaker that it might be proper that its membership be made rotating in some fashion—for instance, that two new members be appointed each year, or something like that, so that the Committee will retain men on it who know what is going on, but that there be some process whereby it can be rejuvenated.

For that reason in particular your Speaker did not this year appoint a member to take the place of Dr. Joe Beer, who resigned. I would greatly appreciate it if someone would take the responsibility of introducing a resolution as to how this should be managed to your satisfaction.

XX—8(a). FUND RAISING—FEDERATED AND OTHERWISE

Supplemental report of the Reference Committee on Legislation and Public Relations.

W. W. BABCOCK, M.D.: We were at an impasse as to how to solve this problem and deal with the amendment, until one of the visitors at the Reference Committee meeting, Dr. Victor Zerbi, of Washtenaw (and I must give him credit), came up with an idea that appealed to all of us.

Referred back to the Reference Committee was an amendment concerning resolutions on fund raising, which was as follows: "That this House of Delegates go on record as favoring meritorious fund-raising campaigns for the welfare of the people, without any specific endorsement of any particular plan."

This amendment was discussed at length by members of the Reference Committee and interested guests, including Dr. Hansen of Calhoun County, the sponsor of the amendment.

Rather than rescind the previous action of the House of Delegates in 1957 and thereby run into parliamentary complications, your Reference Committee, with the full approval of all interested parties present, recommended that the amendment not be accepted, and instead that the resolution introduced by Dr. Hansen of Calhoun County, be substituted. The "Whereases" in this resolution were left intact in their original form, as follows:

"Whereas, necessary financial funds are obtained by national (single disease) health organizations in one of two ways: (1) by independent campaigns, or (2) by federated fund raising, and

"Whereas, both of these systems have proven successful in achieving the similar purpose of gaining public financial support to the end that the important work of these health agencies is accomplished, and

"Whereas, the decision on what type of fund raising program to use must remain the sole prerogative of the individual national health agency; therefore, be it

The "Resolved" originally read: "Resolved: That the House of Delegates of the Michigan State Medical Society approve in principle the right of all voluntary

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(single disease) health organizations to utilize the type of fund-raising program that best suits their individual purposes and program."

This original "Resolved" has been altered by your Reference Committee to read as follows:

"RESOLVED: That the House of Delegates of the Michigan State Medical Society, in approving the principle of federated fund raising at its 1957 session, in no way intended to express disapproval of other methods of fund raising for meritorious causes."

I move the adoption of this portion of the report.

W. C. BEETS, M.D.: I second it.

[The motion was put to a vote and was carried unanimously.]

W. W. BABCOCK, M.D.: I now move adoption of our report as a whole.

F. W. SMITH, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

W. W. BABCOCK, M.D.: Your Reference Committee Chairman would be remiss if he did not give credit to all the members of his hard-working committee.

THE SPEAKER: Thank you and your Committee, Dr. Babcock.

XV—28. APPRECIATION TO MICHIGAN OFFICE OF CIVIL DEFENSE DIRECTOR RALPH M. SHEEHAN AND STAFF

E. H. FENTON, M.D. [Wayne]:

"Whereas, the Michigan State Medical Society Committee on National Defense, in its efforts to improve the quality of medical preparedness against both civil and military disaster, has received the most complete and wholehearted co-operation from Mr. Ralph M. Sheehan, Director, Michigan Office of Civil Defense, and

"Whereas, this very cordial relationship has resulted in a substantial improvement in our state of medical preparedness; therefore, be it

"RESOLVED: That the Michigan State Medical Society extend to Mr. Ralph M. Sheehan and his staff its most sincere appreciation for their accomplishments on behalf of the people of Michigan."

THE SPEAKER: This will be referred to the Reference Committee on National Defense and Disaster Planning.

XV—29. BYLAWS, CHAPTER 5, SECTIONS 4 AND 6 RE SPECIAL MEMBERSHIPS

E. H. FENTON, M.D.:

"Whereas, reference committees on special memberships in the past have apparently varied somewhat from the printed Bylaws in cases where unusual conditions exist, and

"Whereas, it appears to be reasonable and just to allow some departure from the Bylaws in unusual circumstances, and

"Whereas, there now exists no mechanism whereby this can be done; therefore, be it

"RESOLVED: That Chapter 5, Sections 4 and 6 of the Bylaws be changed to allow minor variations at the discretion of the House of Delegates on recommendations of the Reference Committee on Special Memberships."

THE SPEAKER: This resolution will be referred to the Reference Committee on Constitution and Bylaws, and of course will have to lie over for one year.

JANUARY, 1959

XV—30. BYLAWS, CHAPTER 5, SECTION 6 RE CLARIFICATION OF LIFE MEMBERSHIP QUALIFICATIONS

E. H. FENTON, M.D.:

"Whereas, your Reference Committee on Special Memberships considers Section 6 under Chapter 5 of the Bylaws of the Michigan State Medical Society, relating to Life Members, as not being clear in its meaning; therefore, be it

"RESOLVED: That the wording, 'A doctor of medicine who has attained the age of seventy years or has been in practice fifty years and has maintained an active membership in good standing for twenty-five years in any constituent state society with dues paid for the previous calendar year may, upon his application and recommendation of his component county society, be transferred to the Life Members' Roster,' be changed to indicate what, if any, membership in the Michigan State Medical Society is required."

THE SPEAKER: This also will be referred to the Reference Committee on Constitution and Bylaws.

XV—31. BYLAWS, CHAPTER 12, SECTION 1 RE TERM OF COUNCILORS

"Whereas, in the discussion both on the floor of this House and in the corridors it becomes apparent that, instead of identification of the members of the House and members of the Society with The Council and the Board of Directors of Blue Shield, there is instead a feeling that a barrier in effect exists between The Council and Board of Directors of Blue Shield, and

"Whereas, it is in the province of members of this House of Delegates to amend its Bylaws, and

"Whereas, the influence and identification of the delegates and members-at-large with The Council may be facilitated by this action; be it therefore

"RESOLVED: That Chapter 12, Section 1 of the Bylaws be changed by striking the term 'five years' and substituting the term 'three years, and no more than two successive terms at one time.'"

THE SPEAKER: This will be referred to the Reference Committee on Constitution and Bylaws.

XV—32. GREATER INTEREST IN DIABETES DETECTION

F. W. BASKE, M.D. [Genesee]: I have a resolution to present at this time. I understand that the Society will have a Diabetes Committee appointed for the coming year, and I think this resolution is appropriate.

"Whereas, early detection and treatment of diabetes tends to prevent the serious consequences of this disease, and

"Whereas, this early detection and treatment is best handled by the private physician, and

"Whereas, any program aimed at this early detection should be led and co-ordinated by the medical profession through its county organizations; therefore, be it

"RESOLVED: That the Michigan State Medical Society, through its Committee on Diabetes, make every possible effort to interest the component county medical societies in programs of detection; and be it further

"RESOLVED: That this program be integrated with the programs of the Michigan Diabetes Association and when, in the interest of the patient, the Michigan Department of Health and local health department."

THE SPEAKER: I will refer this resolution to the Reference Committee on Miscellaneous Business.

XV—33. REAFFIRMING STATEMENT OF PRINCIPLES OF 1957 HOUSE OF DELEGATES

G. C. WILSON, M.D. [Lenawee]:

"Whereas, the Michigan State Medical Society is an organization of doctors of medicine of this State of Michigan, and

"Whereas, the purposes of that organization are listed in Article III of the Constitution of the Michigan State Medical Society, and

"Whereas, the House of Delegates is intended to represent the members of the Michigan State Medical Society and act as the legislative body of that Society, and

"Whereas, the Michigan Medical Service was conceived, organized and is now operating, and

"Whereas, the 1957 House of Delegates acted to extend Michigan Medical Service and empowered Michigan Medical Service to create new contracts, and

"Whereas, such contracts have been created and have been sold to citizens of the State of Michigan, and

"Whereas, the integrity of the entire Michigan State Medical Society is at stake; therefore, be it

"RESOLVED: That the agreements on principle made by the 1957 House of Delegates be reaffirmed, and that any changes in action taken upon those agreements on principle be made within the framework of representative government as established."

THE SPEAKER: This will be referred to the Reference Committee on Medical Service and Prepayment Insurance.

XV—34. COMPOSITION OF PERMANENT ADVISORY COMMITTEE ON FEES (THORUP)

D. W. THORUP, M.D. [Berrien]: This is a resolution having to do with the matter just mentioned by the Speaker.

"Whereas, the original motion creating the Permanent Advisory Committee on Fees made no provision for the composition of this Committee, and

"Whereas, such a provision would be of assistance to the Speaker of the House in making appointments to this Committee; therefore, be it

"RESOLVED: That this Committee consist of seven members; and be it further

"RESOLVED: That the personnel of this Committee may be changed from time to time as the Speaker may see fit, provided that no more than three members be changed in any one year."

THE SPEAKER: This will be referred to the Reference Committee on Reports of Special Committees.

XV-35. COMPOSITION OF PERMANENT ADVISORY COMMITTEE ON FEES (FALLS)

H. F. FALLS, M.D. [Washtenaw]:

"Whereas, composition and length of term of service of the membership of the Permanent Advisory Committee on Fees previously has not been designated; therefore, be it

"RESOLVED: That such Committee be appointed at the authority and discretion of the Speaker of the House of Delegates of the Michigan State Medical Society, and that the membership consist of nine appointees, three members to be appointed each year on a rotation basis, for a term of three years; and be it further

"RESOLVED: That at least one member of this Committee be appointed from the roll of the Board of Directors of the Michigan Medical Service."

THE SPEAKER: This resolution will be referred to the Committee on Reports of Special Committees.

Your Speaker would like the privilege of presenting to you Dr. Lorne Whitaker, President of the Ontario Medical Association. [Applause]. And Jack DeTar, Former Speaker of This House. [Applause].

[The meeting recessed at 11 a.m.]

TUESDAY EVENING SESSION

September 30, 1958

The final session convened at 8:30 p.m., K. H. Johnson, M.D., Speaker of the House of Delegates, presiding.

MICHIGAN MEDICAL SERVICE—ELECTION TO BOARD OF DIRECTORS

W. L. BROSIUS, M.D. [Wayne]: As chairman of the tellers for the Blue Shield-Michigan Medical Service election this afternoon, I wish to announce the results of elections to the Board. These are the highest.

For three-year terms

Max L. Lichter, M.D.

E. H. Fenton, M.D.

G. Thomas McKean, M.D.

George W. Slagle, M.D.

Carleton Fox, D.D.S.

Gilbert B. Saltonstall, M.D.

John M. Wellman, M.D.

B. M. Harris, M.D.

Waldo I. Stoddard

For two-year terms

Robert Frye

William S. Carpenter, M.D.

W. H. Huron, M.D.

Michigan Hospital Representatives

Ronald Yaw

Franklin Carr

I wish to thank the tellers who assisted in this count.

THE SPEAKER: Thank you, Dr. Brosius.

XX—3(f). COMPOSITION OF PERMANENT ADVISORY COMMITTEE ON FEES (THORUP AND FALLS)

D. W. THORUP, M.D.: Mr. Speaker, this Reference Committee was given two resolutions this morning. We met at the close of the morning session with the proposers of both resolutions. The resolutions were similar in intent, although they were worded somewhat differently, and they were combined into one resolution with the consent of both proposers.

I will read the new resolution.

"Whereas, the composition and length of term of service of the membership of the Permanent Advisory Committee on Fees has not been designated, and

"Whereas, such designation would be of assistance to the Speaker of the House in making appointments to this Committee; therefore, be it

"RESOLVED: That this Committee consist of nine members whose terms of appointment shall be for three years each, except in the instance of the first appointments, when three members shall be appointed for one year, three members for two years, and three members for three years. Henceforth three members shall be appointed each year for three-year terms; and be it further

"RESOLVED: That the Speaker be instructed and heartily urged to choose representation from the various fields of medical practice insofar as possible."

Mr. Speaker, I move the adoption of this portion of the report.

There was a paragraph in one of the resolutions asking that the Speaker be obliged to appoint at least one member who was also to be a member of the Board of Directors of Michigan Medical Service. The Reference Committee discussed this at some length and decided it was not necessary to hamstring the Speaker in that

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respect, and the Reference Committee therefore omitted that paragraph with the consent of the proposer of the resolution.

S. L. LOUPEE, M.D.: I second that motion.

[The motion was put to a vote and was carried unanimously.]

D. W. THORUP, M.D.: Our Reference Committee chose to make a further recommendation in this connection, and we make this recommendation as a part of the report of this Reference Committee.

This Committee further recommends, in order that the functioning of the Permanent Advisory Committee on Fees may be facilitated and given added incentive and authority, that all minutes of the proceedings of all committees dealing with fees and fee schedules be referred to and made available to the Permanent Advisory Committee on Fees as promptly as possible.

Mr. Speaker, I move the adoption of this portion of the report.

R. T. COSTELLO, M.D. [Wayne]: Second the motion.

[The motion was put to a vote and was carried unanimously.]

D. W. THORUP, M.D. [Berrien]: I want again to thank the members of this Reference Committee. I move the adoption of the report of this Reference Committee as a whole.

F. W. BASKE, M.D. [Genesee]: I second the motion.

[The motion was put to a vote and was carried unanimously.]

THE SPEAKER: Thank you and your Committee, Dr. Thorup.

I might tell you at this time that three of the medical students who were here as guests of the House of Delegates came up to the platform previous to this session to tell me of their very great appreciation for the invitation given them to attend these sessions. They indicated that they thought the idea was excellent, that they would go back to their respective classes in medical school and give a report, and wished to be invited again as students.

I thought it was a very nice thing for them to do.

XX—4(c). BY-LAWS, CHAPTER 5, SECTIONS 4 AND 6 RE SPECIAL MEMBERSHIPS

A. B. GWINN, M.D. [Barry]:

The resolution re Chapter V, Sections 4 and 6 is the one being considered and reads as follows:

"Whereas, reference committees on special memberships in the past have apparently varied somewhat from the printed By-laws in cases where unusual conditions exist, and

"Whereas, it appears to be reasonable and just to allow some departure from the By-laws in unusual circumstances, and

"Whereas, there now exists no mechanism whereby this can be done; therefore, be it

"RESOLVED: That Chapter V, Sections 4 and 6 of the By-laws be changed to allow minor variations at the discretion of the House of Delegates on recommendations of the Reference Committee on Special Memberships."

The Reference Committee had Dr. Fenton in on the discussion, and we also had Dr. C. Allen Payne as Counselor. After consideration of the resolution and considerable discussion, the Reference Committee feels that inasmuch as the Bylaws are very specific and the term "minor variations" is not defined, it is the opinion of this Reference Committee that this resolution be disapproved. I so move.

L. F. HAYES, M.D. [North Central]: Second the motion.

[The motion was put to a vote and was carried unanimously.]

XX—4(d). BYLAWS, CHAPTER 5, SECTION 6 RE CLARIFICATION OF LIFE MEMBERSHIP QUALIFICATIONS

A. B. GWINN, M.D.: This resolution was also introduced by Dr. Fenton and concerns clarification of Life Membership qualifications. I shall read the resolution.

"Whereas, your Reference Committee on Special Memberships considers Section 6 under Chapter 5 of the By-laws of the Michigan State Medical Society relating to Life Members as not being clear in its meaning; therefore, be it

"RESOLVED: That the wording, 'A doctor of medicine who has attained the age of seventy years or has been in practice fifty years and has maintained an active membership in good standing for twenty-five years in any constituent state society, with dues paid for the previous calendar year, may, upon his application and recommendation of his component county society, be transferred to the Life Members' Roster', be changed to indicate what, if any, membership in the Michigan State Medical Society is required."

Dr. Fenton was with us and we discussed this at quite some length. We changed the wording of Section 6 on Life Members to read as follows:

"RESOLVED: That the wording, 'A doctor of medicine who has been a member of the Michigan State Medical Society for a minimum of five years and who has attained the age of 70 years or has been in practice fifty years and has maintained an active membership in good standing for twenty-five years in any constituent state society of the American Medical Association, with dues paid for the previous calendar year, may, upon his application and recommendation of his component county society, be transferred to the Life Members' Roster.'"

The Reference Committee approves this change in the Bylaws, and I so move.

F. P. RHOADES, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

XX—4(e). BY-LAWS, CHAPTER 12, SECTION 1 RE TERM OF COUNCILORS

A. B. GWINN, M.D.: This resolution was introduced by Dr. A. C. Stander and has to do with a change in the election of Councilors:

"Whereas, in the discussion both on the floor of this House and the corridors it becomes apparent that instead of identification of the members of the House and members of the Society with The Council and the Board of Directors of Blue Shield, there is instead a feeling that a barrier in effect exists between The Council and the Board of Directors of Blue Shield, and

"Whereas, it is in the province of members of this House of Delegates to amend its By-laws, and

"Whereas, the influence and identification of the delegates and members-at-large with The Council may be facilitated by this action; be it therefore

"RESOLVED: That Chapter 12, Section 1 of the By-laws be changed by striking the term 'five years' and substituting the term 'three years, and no more than two successive terms at one time.'"

The Reference Committee discussed this thoroughly. We had counsel on it, and we felt that because of the

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importance of the problem involved, the Reference Committee should disapprove this resolution.

We therefore disapprove this resolution, and recommend that the Speaker of the House of Delegates appoint a committee to study the feasibility of this change, and to report back to this House of Delegates at the annual session in 1959.

I move approval of this portion of the report of the Reference Committee.

D. W. THORUP, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

A. B. GWINN, M.D.: Mr. Speaker, I move that the Reference Committee's report be accepted in its entirety.

C. L. WESTON, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

XV—36. MOTION TO CORRECT ERROR IN LIST OF LIFE MEMBERS

THE SPEAKER: If there is no objection, we will revert to unfinished business and will request Dr. Fenton to present a motion to correct:

E. H. FENTON, M.D.:

"Whereas, an error of communication has become apparent since the introduction of the list of Special Memberships from Wayne County as submitted by your Reference Committee, and

"Whereas, Wyman D. Barrett, M.D., and Ralph H. Pino, M.D., do not desire to be transferred to the classification of Life Membership which this House has approved; therefore, be it

"RESOLVED: That the names of Wyman D. Barrett, M.D., and Ralph H. Pino, M.D., be removed from the classification of Life Membership."

I move that this resolution be approved.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

XX—9. ON MISCELLANEOUS BUSINESS

XX—9(d). GREATER INTEREST IN DIABETES DETECTION

F. W. SMITH, M.D. [Clinton]: This Reference Committee studied the resolution introduced by Dr. Baske, which I shall read.

"Whereas, early detection and treatment of diabetes tends to prevent the serious consequences of this disease, and

"Whereas, this early detection and treatment is best handled by the private physician, and

"Whereas, any program aimed at this early detection should be led and co-ordinated by the medical profession through its county organizations; therefore, be it

"RESOLVED: That the Michigan State Medical Society, through its Committee on Diabetes, make every possible effort to interest the component county medical societies in programs of detection; and be it further

"RESOLVED: That this program be integrated with the programs of the Michigan Diabetes Association and, when in the interest of the patient, the Michigan Department of Health and local health department."

Your Reference Committee deliberated on this resolution, and the only difficulty we had was in the wording of the second "Resolved." It was decided to delete that part and substitute the following:

"RESOLVED: That the State and component medical societies exercise their responsibility for leadership and direction of diabetes programs undertaken by the Michigan State Medical Society, the Michigan Diabetes Asso-

ciation, the Michigan Department of Health, local health departments and others interested in said programs."

I move the adoption of this resolution as amended.

C. W. OAKES, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

F. W. SMITH, M.D.: I move the adoption of the report of our Reference Committee as a whole.

W. C. BEETS, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

XX—12. ON NATIONAL DEFENSE AND DISASTER PLANNING

L. R. LEADER, M.D. [Wayne]: This resolution has to do with commendation to the Michigan Office of Civil Defense in respect to Mr. Ralph M. Sheehan. Mr. Sheehan has worked very vigorously and cooperatively with the Committee on National Defense and Disaster Planning, and he has really taken this committee and named it the Advisory Committee on Medical Affairs. This is a resolution which was brought before the Reference Committee, and which we have adopted unanimously.

"Whereas, the Michigan State Medical Society Committee on National Defense, in its efforts to improve the quality of medical preparedness against both civil and military disaster, has received the most complete and wholehearted co-operation from Mr. Ralph M. Sheehan, Director, Michigan Office of Civil Defense, and

"Whereas, this very cordial relationship has resulted in a substantial improvement in our state of medical preparedness; therefore, be it

"RESOLVED: That the Michigan State Medical Society extend to Mr. Ralph M. Sheehan and his staff its most sincere appreciation for their accomplishments on behalf of the people of Michigan."

I move adoption of this resolution.

A. B. GWINN, M.D.: I second that motion.

[The motion was put to a vote and was carried unanimously.]

L. R. LEADER, M.D.: I move the adoption of the report of this Reference Committee as a whole.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

C. I. OWEN, M.D.: I move we conduct the rest of our business and then adjourn until tomorrow morning, and hear the rest of the report tomorrow morning.

[Cries of "No!"]

S. L. LOUPEE, M.D.: I second that motion.

[The motion was put to a vote and was lost.]

COPIES OF YAMASAKI SLIDES OF NEW HEADQUARTERS BUILDING

THE SPEAKER: There is one minor item that is not a matter of business but which is actually something that would be an expression of the desire of this House.

Dr. Jones, who, as you know, is a Past President of this Society and as Chairman of the Big Look Committee, has been the one handling all matters in regard to our new building, would like a show of hands by this House as to whether or not it would be advantageous to have a series of copies of the slides made which Mr. Yamasaki showed, to be made available to you for your county societies.

We are very anxious that every member of the State Medical Society feel that he is a part of this new building, and I believe for a very minor outlay of money we can have some duplicates made of the slides so that you can show them.

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May I have a show of hands as to whether the House thinks it is a good idea?

Are there any who think it is not a good idea? Thank you. We shall proceed with it, Dr. Jones.

XXI. ELECTIONS

XXI-1. COUNCILOR, SEVENTH DISTRICT

We shall start with the Seventh District. There is a vacancy in this District by reason of the resignation of Dr. Joseph Beer because of illness. Do we have nominations for Councilor from the Seventh District?

H. B. ZEMMER, M.D. [Lapeer]: I would like to place in nomination the name of a man who has been in practice for twenty years. He is a Past President of the St. Clair County Medical Society and former chief of staff of the Port Huron General Hospital, and at present is a member of the Executive Committee of the St. Clair County Medical Society. His name is Dr. Charles Hoyt, of Port Huron.

THE SPEAKER: Dr. Charles Hoyt, of Port Huron, has been nominated as Councilor for the Seventh District.

C. W. OAKES, M.D.: I second the nomination of Dr. Hoyt.

K. T. MCGUNEGLE, M.D. [Sanilac]: I would like to support the nomination of Dr. Hoyt.

THE SPEAKER: Are there any further nominations?

C. W. OAKES, M.D.: I move that nominations be closed and that he be declared elected.

R. W. TEED, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

THE SPEAKER: Dr. Hoyt is declared elected.

XXI-2. COUNCILOR, ELEVENTH DISTRICT

Nominations are in order for Councilor for the Eleventh District. Dr. William LeFevre, of Muskegon, is the incumbent.

PAUL IVKOVICH, M.D. [Mecosta-Oshtemo-Lake]: The component societies of the Eleventh District wish to have Dr. LeFevre continue as Councilor for our District.

THE SPEAKER: Are there further nominations?

D. R. BOYD, M.D. [Muskegon]: I move that nominations be closed and that a unanimous ballot be cast for Dr. William LeFevre as Councilor.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

THE SPEAKER: Dr. LeFevre is declared elected.

XXI-3. COUNCILOR, TWELFTH DISTRICT

Councilor for the Twelfth District. B. T. Montgomery, M.D., of Sault Ste. Marie, is the present incumbent. Are there nominations?

W. F. MERTAUGH, M.D. [Chippewa-Mackinac]: I wish to nominate Dr. Montgomery to succeed himself. Our County Society is unanimously in support of entering his name for re-election. He has done a good job.

J. D. MILLER, M.D.: I shall be glad to support that nomination.

JOSEPH HICKEY, M.D. [Wayne]: I second it.

G. S. FISHER, M.D. [Wayne]: I move that nomina-

tions be closed and that the unanimous ballot be cast for Dr. Montgomery.

E. C. TEXTER, M.D. [Wayne]: Second the motion.

[The motion was put to a vote and was carried unanimously.]

THE SPEAKER: Dr. Montgomery is declared re-elected.

XXI-4. COUNCILOR, THIRTEENTH DISTRICT

Councilor for the Thirteenth District. T. P. Wickliffe, M.D., of Calumet, is the present incumbent. May we have nominations?

P. S. SLOAN, M.D. [Houghton-Baraga-Keweenaw]: I would like to nominate Dr. Wickliffe to succeed himself as Councilor.

J. R. HEIDENREICH, M.D. [Menominee]: I wish to endorse the nomination, and move that nominations be closed and that he be elected unanimously.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

THE SPEAKER: Dr. Wickliffe is declared re-elected.

XXI-5. COUNCILOR, SEVENTEENTH DISTRICT

Councilor for the Seventeenth District. W. B. Harm, M.D., of Detroit, is the incumbent. I have been informed that Dr. Harm is not a candidate for re-election. Are there nominations?

L. J. BAILEY, M.D.: Sensing the present temper of the House, I shall forego the speech I had written, and nominate a man who has been an acquaintance of mine for so many years that I shall not disclose how many because you wouldn't believe it.

He is Past President of the Wayne County Medical Society, Chairman of its Board of Trustees, Alternate Delegate to the American Medical Association, and a moving spirit in the promotion of our new Wayne County Medical Society building, which we hope you will all visit.

I should like to nominate Dr. W. W. Babcock.

P. C. GITTINS, M.D.: I wish to second the nomination of Dr. Warren Babcock, and at this time move that nominations be closed and he be elected.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

THE SPEAKER: Dr. Babcock is declared elected.

May I state at this time, before we proceed with the election of delegates to the American Medical Association, that Dr. Rodger, of Bellaire, has asked that his name be withdrawn from the slate as far as alternate delegates are concerned. Some of you have been anticipating nominating Dr. Rodger, but you will have to nominate someone else.

XXI-6. DELEGATES TO AMERICAN MEDICAL ASSOCIATION

Next is nomination of delegates to the AMA. There are three to be elected. W. D. Barrett, M.D., of Detroit; W. H. Huron, M.D., of Iron Mountain, and R. L. Novy, M.D., of Detroit, are incumbents. What is your pleasure?

E. A. OSIUS, M.D.: I would like to nominate Dr. W. D. Barrett to succeed himself.

W. L. SHERMAN, M.D. [Wayne]: I second the nomination of Dr. W. D. Barrett.

SIDNEY ADLER, M.D.: I wish to nominate Dr. Robert L. Novy.

C. I. OWEN, M.D.: I understand Dr. Huron is not a candidate for re-election. For that reason, I would like to nominate outgoing President George W. Slagle, who has

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done such a magnificent job as an alternate delegate and as a seated delegate when on occasion a delegate was absent, and such a magnificent job as President of our Society.

D. A. BOWMAN, M.D.: I would like to submit the name of a man who has been a delegate to this Society for the past ten years, a delegate to the Michigan State Medical Society from his county, and alternate delegate to the AMA for the past five years, and a member of The Council. I might say he has attended all meetings. I nominate O. J. Johnson, M.D.

THE SPEAKER: Are there further nominations?

D. N. SWEENEY, M.D.: I move that nominations for delegates to the AMA be closed.

[The motion was severally seconded.]

THE SPEAKER: You will use ballot No. 2. The delegates named the other day as tellers will please officiate: Drs. Sweeney, Fuller, Daugherty and Weston.

You may vote for one, two or three on your ballot, if I am not mistaken. Those receiving the three highest number of votes are declared elected.

[Balloting.]

D. N. SWEENEY, M.D.: The tellers certify that the following have been elected as delegates to the AMA: Drs. Novy, Barrett and Slagle, in that order. *[Applause]*

THE SPEAKER: Drs. Novy, Barrett and Slagle are declared elected as delegates to the AMA.

XV—37. EXPRESSION OF APPRECIATION TO W. H. HURON, M.D.

W. W. BABCOCK, M.D.: I have been an alternate delegate to the American Medical Association for several years. This year I am not running for office, and therefore I feel qualified to speak.

I want to tell this House of Delegates that they are suffering a great loss, no matter who is elected, in losing Dr. Huron as a delegate to the American Medical Association. I have been at the AMA meetings for many successive years. Dr. Huron has been a tower of strength.

As you know, in the American Medical Association positions for the most part are on a seniority basis. Dr. Huron has been chairman of many reference committees, and he has done yeoman service for not only the AMA but for the State of Michigan.

I therefore move that this House of Delegates express to Dr. Huron its appreciation for his yeoman services. *[Applause]*

C. I. OWEN, M.D.: I second the motion.

THE SPEAKER: We shall call for a rising vote. *[The members arose and applauded.]*

W. H. HURON, M.D. [Iron Mountain]: Gentlemen, I appreciate very much the sentiment that has been expressed by my good friend, Dr. Babcock. I wish to say that I spent ten years on The Council and ten years as a delegate to the American Medical Association. I don't consider myself an "old man" nor senile. However, I do feel that there are times when younger men have to be brought up and made busy in the organization. That is the only way they can learn what the organization is all about.

I appreciate everything the State of Michigan and this Medical Society have done for me. I am very glad that I was able to render some service. *[Applause]*

THE SPEAKER: I am informed that the slides of our new building, which we discussed a few minutes ago, will be available to you upon request to the office at

606 Townsend. We will not just send them out willy-nilly. There will probably be only four or five sets available. If you would like to present them at your county society meeting will you request them from the headquarters office. They are 35 mm, standard size.

RECOGNITION OF GUESTS

THE SPEAKER: It is my understanding that Dr. Oldfield, President of the Illinois State Medical Society, and Dr. O'Neill, President-elect of the Illinois State Medical Society, are in the audience. Will they stand, please? *[Applause]* We are very happy to have you gentlemen with us.

COMMENDATION OF SPEAKER, K. H. JOHNSON, M.D.

A. C. STANDER, M.D.: I would like to commend the Speaker and his helpers who have been so effective in carrying out the spirit of the resolution for information to the delegates that was passed two years ago and that was partially effective last year and extremely effective this year, in giving all the delegates information on all the resolutions in such a rapid and accurate manner *[Applause]*.

THE SPEAKER: This implementation was carried out by Dick Philleo, who is one of the employees of the MSMS. Do you feel it has worked well enough for us to attempt it again next year, or for it to be attempted again next year?

[Cries of "Yes!"]

XXI—7. ALTERNATE DELEGATES TO AMA

G. S. BATES, M.D.: With the unanimous approval of the delegates of Wayne County, and following their instructions, I have the honor to nominate for alternate delegate to the AMA a practicing surgeon of Detroit, a long-time member of this House of Delegates, the successful and respected Immediate Past President of the Wayne County Medical Society, Luther R. Leader, M.D. *[Applause]*

D. R. SMITH, M.D. [Dickinson-Iron]: I would like to nominate Dr. John Heidenreich, of Northern Michigan, as an alternate delegate.

W. L. BROSIUS, M.D.: I would like to nominate Dr. Bill Bromme to succeed himself.

A. B. GWINN, M.D.: I would like to place in nomination the name of a man who has served on The Council from our Fifth District for twelve years. He is a surgeon—Dr. J. D. Milleer, of Grand Rapids.

W. A. SCOTT, M.D. [Kalamazoo]: I would like to nominate as alternate delegate Ralph W. Shook, M.D., of Kalamazoo, who has been a delegate from Kalamazoo County to the State Medical Society and who is presently on The Council and Chairman of the Finance Committee.

ALICE PALMER, M.D. [Wayne]: I would like to move that nominations be closed.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

THE SPEAKER: The names of Dr. Luther Leader of Wayne, Dr. Heidenreich of Northern Michigan, Dr. Bromme of Detroit, Dr. J. D. Miller of Grand Rapids, and Dr. Shook of Kalamazoo are submitted.

[Balloting.]

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D. N. SWEENEY, M.D.: The board of tellers certifies that the result of the balloting is as follows, in this order: Drs. Leader, Bromme and Shook. [Applause]

THE SPEAKER: These three men are declared elected as alternate delegates to the AMA.

XXI—8. PRESIDENT-ELECT

C. I. OWEN, M.D.: I would like to present the name of Dr. Milton A. Darling for President-elect. He is the choice of the Wayne delegation. You all know him. He has been a member of the House for many years. He has been President of the Wayne County Medical Society, a Trustee of the Wayne County Medical Society, Chairman of the Board of Trustees, chief of a large hospital staff, as well as head of the department of obstetrics and gynecology, and has practiced for many years in Detroit.

We submit the name of Dr. Milton A. Darling.

F. P. RHODES, M.D.: I take pleasure in seconding the name of Dr. Milton Darling as President-elect.

THE SPEAKER: Are there further nominations?

C. I. OWEN, M.D.: I move that nominations be closed and that he be declared elected by acclamation.

[The motion was severally seconded, was put to a vote, and was carried unanimously.] [Applause]

THE SPEAKER: Dr. Darling is declared President-elect. Dr. Slagle, will you escort Dr. Darling to the rostrum?

[The members arose and applauded.]

M. A. DARLING, M.D.: I would be less than human if I were not slightly overcome on this occasion with the honor I have just received, which I have never anticipated. All I can say is that in a spirit of abject humility I shall do the best I can to carry out the duties of this office, and such tasks as I may be asked to perform.

In anticipation of what is coming, I know what the incoming President meant in military terms, "We have a lot of ground to consolidate and maybe some foxholes to dig."

I thank you, one and all. [Applause]

[The Vice Speaker assumed the Chair.]

XXI—9. SPEAKER OF THE HOUSE OF DELEGATES

L. A. DROLETT, M.D.: Last year, in Grand Rapids, I had the privilege of nominating my very good life-long friend, Ken Johnson, to succeed himself as Speaker of the House of Delegates. I think you will all agree with me when I say he has done a tremendous job in controlling this House, and I would like to again place his name in nomination to succeed himself as Speaker of the House. [Applause]

W. L. BROSIUS, M.D.: I would like to support that nomination and move that nominations be closed and the Secretary cast the unanimous ballot for Dr. Johnson.

[The motion was severally seconded, was put to a vote, and was carried unanimously.] [Applause]

[The Speaker resumed the Chair.]

THE SPEAKER: Thank you very much, gentlemen. I am deeply appreciative of your confidence in my ability. I don't know what I am going to do now. I told you I wanted to go fishing, but how can I do that now? [Laughter]

XXI—10. VICE SPEAKER OF THE HOUSE

D. I. SUGAR, M.D. [Wayne]: It gives me great pleasure to nominate one of Wayne County's brightest lights, Dr. Jim Lightbody, as Vice Speaker of the House of Delegates.

E. G. M. KRIEG, M.D.: I would like to add my personal admiration and congratulations to the name of Dr. Lightbody, and I so move.

R. W. TEED, M.D.: I move that nominations be closed and that the Secretary be instructed to cast the unanimous ballot for Dr. Lightbody.

THE SPEAKER: I think we need go no further. I am sure we can vote this by acclamation. [Applause] Jim has done a wonderful job, and I am sure he is ready to take things over almost any day now.

I have just received word that the Reference Committee on Medical Service and Prepayment Insurance has completed its deliberations and their report is in the process of being mimeographed. It will be ready in about half an hour. What is your pleasure? Do you wish to recess for twenty minutes?

XX—38. MOTION TO RECESS AT A TIME CERTAIN

J. B. BLODGETT, M.D.: The matter we are about to discuss is the most important matter of this year. Considerations of the report of this Reference Committee require unhurried, careful, considerate attention. Our purposes will not be served if we go on into the night discussing these matters.

I therefore move that we plan to recess this House at twelve o'clock tonight if we have not finished the business of the House by that time.

R. W. TEED, M.D.: Support.

All those in favor of the motion to recess at midnight if our business is not completed, raise your hands. [62] Those opposed, please raise your hands. [42] The motion is carried.

E. G. M. KRIEG, M.D.: I move we adjourn this meeting until nine o'clock tomorrow morning.

C. I. OWEN, M.D.: I second that motion.

THE SPEAKER: All those in favor, say "aye"; those opposed, "no." The motion is lost.

XX—13. ON MEDICAL SERVICE AND PRE-PAYMENT INSURANCE

M. L. LICHTER, M.D.: I am prepared to present the complete report of your Reference Committee on Medical Service and Prepayment Insurance. Before I make that report, as Chairman of this Reference Committee I must express my deepest appreciation to the members of the Committee for their invaluable and wise deliberations of the matters presented to the Reference Committee: Dr. Fallis of Detroit; Dr. Furlong of Pontiac; Dr. Harris of Lansing; Dr. Novy of Detroit; Dr. Fred Ryan of Kalamazoo; Dr. Van der Velde of Holland, and Dr. Wilson of Clinton. Again, to each of these gentlemen I think that not only I but the entire House owes a vote of appreciation.

The Reference Committee, in its meetings, allowed and urged everyone present to participate fully in the discussions in an effort to assist the Reference Committee in arriving at recommendations which I shall now present.

I will say that there are two substitute resolutions which are now being mimeographed and which will be passed out to you when they are available.

The first item considered by the Reference Committee was the annual report of the Medical Care Insurance Committee contained in the supplemental report of The Council. The Reference Committee recommends approval of this report. I so move.

A. B. GWINN, M.D.: Second the motion.

M. L. LICHTER, M.D.: This report of the Medical Care Insurance Committee reads as follows:

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"This Committee was charged with the responsibility of implementing the Statement of Principles on Pre-paid Medical Care adopted by the House of Delegates in September, 1957.

"Since then the Committee has averaged more than one meeting per month for extended sessions during which representatives of various groups having special interests, individual doctors of medicine, officers of MSMS and Michigan Medical Service were of valuable assistance to the Committee in discharging its responsibility.

"In meticulous detail the Committee scrutinized the new contract of Blue Shield as it developed. It also recommended necessary modifications in the California Relative Value Scale and established dollar unit values, both of which actions received the concurrence of the Permanent Advisory Committee on Fees. The Committee recommended the endorsement of the new Michigan Medical Service contract as complying in every detail with the MSMS Statement of Principles.

"To assure a closer liaison between practicing physicians, MSMS and the carrier (Blue Shield), this Committee has developed the work and responsibilities of Councilor District Medical Care Insurance Committees as directed by the Statement of Principles. These local Committees have been appointed by The Council and their activity during the coming year will be co-ordinated with the work of the MSMS Medical Care Insurance Committee. By this and other means, a continuing review of the Seal of Assurance Plan will be made and a direct line of communication established from the individual doctor of medicine to this Committee, the Permanent Advisory Committee on Fees, and The Council."

An addendum to this report, which was inserted by The Council, reads: "The Council, at its September 28, 1958, meeting, directed the Medical Care Insurance Committee to develop the Michigan Relative Value Scale."

[The motion was put to a vote and was carried unanimously.]

M. L. LICHTER, M.D.: The next item considered by your Reference Committee was the supplemental report of the Medical Care Insurance Committee.

We recommend that this report be received as information. We further recommend that copies be sent to the President and Secretary of each county medical society, and that the slides in connection therewith be made available.

I move the adoption of this portion of the report.

E. G. M. KRIEG, M.D.: Second the motion.

[The motion was put to a vote and was carried unanimously.]

XX—13(c). REPORT OF SEAL OF ASSURANCE AUDITING COMMITTEE

M. L. LICHTER, M.D.: The next item is the report of the Auditing Committee on the Seal of Assurance Participation. We recommend that this report be received as information. I so move.

J. M. WELLMAN, M.D.: I second it.

M. L. LICHTER, M.D.: This report is dated September 24, 1958, addressed to Kenneth H. Johnson, M.D., Speaker, MSMS House of Delegates, from the Auditing Committee on Seal of Assurance Participation.

"Dear Doctor Johnson:

"This Committee has met on September 24, 1958, in the Executive Offices of the Michigan State Medical Society, and in accordance with your instructions of September 18, 1958, offers the following report:

Total signed contracts received as of this date.....	3,999
Total withdrawals from contracts received as of this date.....	86
*Total contracts in force as of this date.....	3,913

"*The total number of participating doctors of medicine is equivalent to:
66.8% of the total Active, Life and Emeritus membership enrollment of the MSMS, and
70.0% of the total Active membership enrollment of the MSMS."

Total number of Active, Life and Emeritus Members who are participating.....	3,399
Total number of nonmembers who are participating (465 nonmembers plus 49 interns and residents at the University of Michigan).....	514
Total percentage of Active, Life and Emeritus members of MSMS who are now participating.....	57.9%
Total percentage of Active, Life and Emeritus members of MSMS who have withdrawn.....	1.4%
Total percentage of Active, Life and Emeritus members of MSMS who are undecided.....	40.7%

"The Auditing Committee on Seal of Assurance Participation finds the above figures to be correct, and the contracts indicated above to be presently in force, to be valid.

"The Committee has also reviewed the count of contracts in force in the separate counties and the percentages based on the number of participants who are members as compared with the number of Active, Life and Emeritus members, and finds them to be correct.

"Based on membership records as of July 31, 1958, 514 participants in the contracts presently in force were neither Active, Life or Emeritus members. They are, however, all doctors of medicine and fall under such categories as interns and residents (49), those members delinquent in dues as of July 31, 1958, and nonmembers of MSMS who are presently participating in \$2,500-\$5,000 Michigan Blue Shield contracts.

"Respectfully submitted,

s/OTTO K. ENGELKE, M.D., Chairman
JOHN M. WELLMAN, M.D.
JOHN W. RICE, M.D.
RICHARD A. RASMUSSEN, M.D.

THE SPEAKER: Thank you, Dr. Lichter. The motion is to approve this report for information.

[The motion was put to a vote and was carried unanimously.]

XX—13(d). RESOLUTION RE RECOGNITION OF PSYCHIATRICALY ILL PATIENT IN BLUE SHIELD'S M-75 CONTRACT

M. L. LICHTER, M.D.: The next item considered by your Reference Committee was the following resolution:

"Whereas, the physicians of Michigan are being asked to support the proposed Seal of Assurance plan of Michigan Medical Service which involves participation of the new Blue Shield contract M-75, and

"Whereas, Blue Shield Plan M-75 continues, as in prior contracts, to discriminate against subscribers who suffer from nervous or mental conditions by limiting medical care to thirty days, and

"Whereas, such distinctions in illnesses are inequitable, particularly in a medically sponsored plan, and in view of the clinically recognized fact that many physical illnesses have concomitant emotional reactions and emotional illnesses are often manifested by physical symptoms, and

"Whereas, these distinctions in effect penalize the nervous or mentally ill patient and the physician who practices neurology or psychiatry because of the nature of the illness, and

"Whereas, Blue Shield Plan M-75 does not recognize in its fee structure either the additional education and training required for the medical specialties or the fact that a considerable amount of time is necessary for effective treatment of each psychiatric case, with the consequence that fees for psychiatric services are grossly inadequate and inequitable; therefore, be it.

"RESOLVED: That the Michigan Medical Service Blue Shield Plan M-75 does not adequately meet the problem of the psychiatrically ill patient; and be it further

"RESOLVED: That this resolution be presented to the September meeting of the Michigan State Medical Society House of Delegates; and be it further

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"RESOLVED: That this resolution be published in the Detroit Medical News and the Journal of the Michigan State Medical Society."

Your Reference Committee gave careful consideration to this resolution and to its intent. Your Reference Committee offers the following substitute resolution:

"Whereas, considerable advance has been made in the diagnosis and treatment of mental illness; therefore, be it

"RESOLVED: That the problem of the care of mental illness as a benefit under Michigan Medical Service and Michigan Hospital Service contracts be called to the attention of the Board of Directors of Michigan Medical Service and of Michigan Hospital Service for their careful consideration.

I move the adoption of this resolution.

R. W. TEED, M.D.: Second.

LOUIS JAFFE, M.D.: A point of information. Does this mean that action can be taken on this matter by the Board of Directors without referring this back to the House of Delegates?

M. L. LICHTER, M.D.: The intent of this resolution is to request the Boards of Directors of Michigan Medical Service and Michigan Hospital Service to give careful consideration to this problem. It would depend on the action of each of those Boards in the disposition of the request contained in the resolution.

If the problem is solved I am sure all those concerned would be pleased; if not, I am sure it would be brought to the attention of this House.

R. T. COSTELLO, M.D.: As I remember the original resolution, that is all it asked for—simply that the Directors consider the problem.

THE SPEAKER: It is my interpretation, Dr. Costello, that this resolution is more directive than the original.

R. T. COSTELLO, M.D.: Yes; that is what I was implying.

D. W. THORUP, M. D.: If we are being meticulous about the words we use, I believe it would be correct to say, "... the Board of Directors of the Michigan Medical Service and the Board of Trustees of the Michigan Hospital Service."

I move that the resolution be amended in that respect.

[The motion was severally seconded.]

[The motion to amend was put to a vote and was carried unanimously.]

[The motion as amended was put to a vote and was carried unanimously.]

XX—13(c). STUDY OF METHOD TO ALLOT PROPORTIONAL UNITS WHEN MEDICAL SERVICE IS PROVIDED BY MORE THAN ONE PHYSICIAN

M. L. LICHTER, M.D.: The next item considered by your Reference Committee was the following resolution:

"Whereas, the Blue Shield service plan embodies a full coverage hospital program, and

"Whereas, the best modern medical care is frequently a team program involving two or more physicians, and

"Whereas, the division of fees on the basis of services actually rendered is both equitable and ethical, and an established principle of group practice, and

"Whereas, it would be inconsistent with the principle of free individual enterprise to deny to an individual what is granted to a group, and

"Whereas, many hospital procedures, especially surgical, can well be divided into diagnostic, definitive or operative care, or postoperative or convalescent phases; therefore, be it

"RESOLVED: That this House of Delegates request

the appropriate committee or committees to study the advisability and method of allotting proportional units of the total unit value, when more than one physician participates actively in the care of the patient, on the basis of (1) diagnostic and pre-definitive care, (2) definitive or surgical procedures, and (3) post-definitive care when the latter is not properly or essentially a part of the definitive procedure or treatment, or when the physician who has performed this definitive treatment is not available; and be it further

"RESOLVED: That the members of this House of Delegates be informed of the action taken as soon as possible, or at least by the time of the next meeting of the House of Delegates, be it a regular or special meeting."

Your Reference Committee recommends disapproval. This problem has been repeatedly brought before appropriate committees that have the responsibility for making recommendations.

I move the adoption of this portion of the report.

R. W. TEED, M.D.: Second the motion.

A. C. STANDER, M.D.: This is going to be a very brief comment. We asked for further study. The arguments and the discussions and the criticisms of many of the things we are going to take up later have been that this study and other studies on these problems have not been forthcoming. We feel this is a study and a problem which, while it may not apply to Wayne, does probably apply to other portions of the State.

To deny even the chance for this matter to be studied, it seems to me, is contrary to the spirit of co-operation and an attempt to evaluate problems that should arise from time to time in Blue Shield coverage.

If the principle that is attempted here, which is nothing more than a further study, is to be denied, is it not entirely possible that many other problems have been or will be similarly denied because they have been previously studied, whereas studying them again with perhaps a new idea or new concept might possibly bring about some change of opinion?

Therefore, I feel that the action of this Reference Committee is contrary to what I feel should be a co-operative attitude on the part of those individuals who are responsible for consideration of the modification of the various problems that arise from time to time in Blue Shield coverage.

W. W. BABCOCK, M.D.: I think Dr. Stander has presented his side of the question very well. However, this Reference Committee must have had some very definite reason for not recommending adoption of the resolution, and I would like to suggest that Dr. Lichter recall to the best of his ability the deliberations leading to the refusal of this resolution, so that we may know both sides of the question and can properly decide.

M. L. LICHTER, M.D.: In the resolution, disapproval of which is recommended, there are committees that have studied the problem and there are committees that will continue to study this and similar problems.

In view of the structure developed for the study of these problems, it was felt that this should not be regarded as a separate thing but should be included in the projected studies of all matters concerned with fees and the development of the relative value schedule.

We felt this item by itself, at this time, had no special merit over a great number of problems in the area of fees, and I think Dr. Stander can be assured that the disapproval of this resolution does not mean that the committees charged with these responsibilities will not take this into consideration.

A. C. STANDER, M.D.: If that is the case, I don't see why it shouldn't be approved.

E. G. M. KRIEG, M.D.: I move the previous question.
[The motion was put to a vote and was carried, but not unanimously.]

XX—13(f). NO DISTINCTION BETWEEN NON-PARTICIPATING AND PARTICIPATING PHYSICIANS IN BLUE SHIELD

M. L. LICHTER, M.D.: Your Reference Committee held extensive hearings on this question both yesterday and today. These hearings enabled every interested and concerned member of this House, as well as members of this State Medical Society, to present their viewpoints. In addition, the Reference Committee had valuable technical assistance and further had the invaluable assistance of the legal counsel, Mr. Lester P. Dodd, of the Michigan State Medical Society.

The Reference Committee offers a substitute resolution, which is being distributed at this time. I will read the "Resolved" portion of the original resolution: ". . . therefore, be it

"RESOLVED: That the House of Delegates of the Michigan State Medical Society direct the Michigan Medical Service to pay the nonparticipating physician in the same manner as the participating physician; and be it further

"RESOLVED: That the words 'in an emergency' be deleted from Section 5, last paragraph of the M-75 contract"

I will now read the substitute resolution—

P. T. LAHTI, M.D.: A point of order, Mr. Speaker. May I ask that Dr. Lichter read the entire resolution?

THE SPEAKER: If it is the wish of the House, we shall have it read; but again I suggest to you that this has been gone over repeatedly, and if you gentlemen wish to maintain your time schedule and try to get through by midnight, you are going to have to speed up somewhere.

Is it the wish of the House that the entire resolution be read? Those in favor of having it read, say "aye"; those opposed, "no." It will not be read.

M. L. LICHTER, M.D.: The substitute resolution reads as follows:

"Whereas, the Statement of Principles as passed by the House of Delegates of the Michigan State Medical Society upon which the M-75 plan is based states in Principle I: 'There must be complete freedom of choice of physician by the patient. Nothing in any contract will imply any restriction of this Principle,' and

"Whereas, the doctor-opinion survey on prepaid medical care plans, page 61, paragraph 12, reveals that the majority of the doctors of Michigan 'feel that where service is rendered by a nonparticipating physician the Blue Shield payment should go directly to the doctor,' and

"Whereas, the M-75 policy implies against nonparticipating physicians as indicated in Section 5, last paragraph, by the statement: 'NONPARTICIPATING: If, in an emergency, the member shall utilize the services of a nonparticipating physician . . .', and this is considered in direct violation of Section 10 of the Enabling Act MPA 108-1939, which states: 'The private physician-patient relationships shall be maintained and the subscriber shall at all times have free choice of doctor of medicine,' and

"Whereas, the present stated intent of M-75 administration is to pay the patient of the nonparticipating physician rather than the physician himself, and

"Whereas, this discrimination against the nonparticipating physician infringes upon his right to set his own fee, and seriously affects the patient-physician relationship; therefore, be it

"RESOLVED: That recompense for services rendered to a patient under Michigan Medical Service contracts continue to be the same, whether the physician is participating or nonparticipating. The participating physician will be paid directly by Michigan Medical Service. The nonparticipating physician will also be

paid by Michigan Medical Service upon obtaining an assignment from his patient; and be it further

"RESOLVED: That, because the problem of direct payment to nonparticipating physicians for services rendered to subscribers involves complex questions of law and equally complex questions pertaining to the honoring of existing contracts and contract offerings by Michigan Medical Service, a complete study of alternate methods of payment for services rendered by nonparticipating physicians be undertaken by the Medical Care Insurance Committee of the Michigan State Medical Society in conjunction with legal counsel for Michigan State Medical Society, and that such study be diligently pursued; and that as soon as the Committee is able to submit its findings based upon such study, its findings and recommendations shall be submitted to the next regular or a special meeting of the House of Delegates called for that purpose."

I move the adoption of this substitute resolution.

[The motion was severally seconded.]

E. G. M. KRIEG, M.D.: I would like to discuss this from a legal standpoint. I think this morning Mr. Lester Dodd brought this problem up and discussed this as an enabling act. I agree with his conclusions. Mr. Dodd's interpretation said the reading of the enabling act is quite definite, that there is no payment under this nonvoluntary health program that can be paid to any other individual except the participating physician.

I think for that reason this is out of order. I don't think it would hold up if we are going to follow the enabling act as it is written.

THE SPEAKER: Dr. Krieg, I am not a lawyer. I see only two or three lawyers around the room. I can't say anything about the legal part of it, but apparently, in my opinion, the substitute resolution is in order.

R. R. COOPER, M.D.: I would like to ask a question for information, if I may.

For eighteen years, the nonparticipating doctor has been paid exactly in the same manner as the participating doctor. What is the change in the M-75 contract that suddenly changes the whole legal problem so that what could be done yesterday and could still be done under the old contract cannot be done under the new contract? I haven't read anything in the contract that would do that.

M. L. LICHTER, M.D.: The Reference Committee recognized that this was a very controversial matter, and felt that it required a considerable amount of study.

As far as the legal aspects of this question are concerned, the Reference Committee had to turn to the legal counsel of this State Medical Society for his advice.

Mr. Speaker, I am wondering whether you would permit Mr. Dodd the privilege of the floor to speak to this point.

THE SPEAKER: Does the House wish to hear from Mr. Dodd?

G. S. FISHER, M.D.: May I first ask another question so that if Mr. Dodd is called upon by the House to speak he might also answer it.

It being common practice for commercial carriers and other insurance groups to allow assignments in general, I would like to know the force of the first "Resolved." Is there a legal way of not honoring an assignment?

M. L. LICHTER, M.D.: Since I am not an attorney, I cannot answer questions that require legal opinion. I would, however, like to add one thing that I should have said in my previous remarks.

This question of method of payment was adopted in the report of the Owen Committee by this House last year when it urged Michigan Medical Service to develop means by which the patient of a nonparticipating doc-

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tor would be paid directly. The Committee felt that while it was bound by the decision of this House, there was enough in the entire discussion of this matter to recommend (as in the second "Resolved") that this be diligently studied and reported back to this House.

Mr. Speaker, again I ask the privilege of the floor for Mr. Dodd, to answer questions involving legal opinion.

THE SPEAKER: What is your pleasure, gentlemen? Those in favor of asking Mr. Dodd to appear, say "aye"; those opposed, "no." Mr. Dodd, will you please come forward?

MR. LESTER P. DODD: I assure you that this is your choice, not mine.

I should like to preface anything I have to say by the most sincere assurance that I am not on the side of the participating doctor as against the nonparticipating doctor, or vice versa. I have no concern with the internal problems of the medical profession, and I shall try honestly and to the best of my ability to refrain from getting into those discussions of policy with which you gentlemen and you alone are concerned.

I shall say in all honesty that I assisted in the drafting of the second part of the resolution that has just been presented to you because I feel sincerely that there are complex questions of law as well as complex questions of policy that should deter you gentlemen from making any hasty changes in your Michigan Medical Service contract that has been sold to the public.

Because those questions are complex, I can't give you all of the answers to them offhand, and I shall not pretend to do so. That is why I think a continued study of this matter, in which I shall be most happy to co-operate with your Committee in trying to work out an acceptable and lawful solution to what you are trying to do, would be valuable.

The enabling act under which the Michigan Medical Service Corporation was organized gives, in its initial phases, a choice to every doctor of medicine in this State who is licensed to practice medicine. He is entitled to participate under Michigan Medical Service. That is the law. That is the enabling act under which Michigan Medical Service was organized. That is his choice and his No. 1 choice. He may participate or he may refuse to participate.

Now, under that enabling act Michigan Medical Service is organized. The primary obligation which Michigan Medical Service undertakes under its contracts which are sold to the public is that it undertakes to provide medical service to its subscribers. It does not undertake to pay physicians; it undertakes to furnish medical service by reason of the fact that it has been organized by the doctors of this State, and it proposes to furnish that service, and it contracts to furnish that service by reason of the fact—and solely by reason of the fact—that it has a sufficient number of participating doctors of medicine to enable it to offer that contract to the public.

It therefore contracts that it will furnish to every subscriber of Michigan Medical Service, medical service in accordance with the terms of its contract by physicians who have agreed with it to render such service.

Obviously, unless it can back up its contract by having upon its rolls a sufficient number of doctors of medicine with which to render that service, it cannot honor its contract obligation. Basically, it is just that simple. There must be participating physicians in sufficient number to enable Michigan Medical Service to fulfill its commitment.

Unless it has a sufficient number of doctors of medicine who have agreed to furnish that service at the cost of Michigan Medical Service, then it cannot fulfill its commitments.

Now, as a matter of grace and not as a matter of right, almost from the inception of Michigan Medical Service, and because Michigan Medical Service and the

Insurance Department of the State of Michigan and the Attorney General, who is the adviser to the Insurance Department, have taken consistently the position that the public interest comes first and that a subscriber to Michigan Medical Service who wishes to obtain (and again the contract and the enabling Act seek to preserve the free choice of physician by the patient)—means were sought by which, in spite of the fact that the only contract obligation is to furnish the services of the participating physician, it was deemed advisable in the public interest—and that policy, I understand, has been consistently followed—that nonparticipating physicians, bearing in mind that they have the right to participate if they wish, would nevertheless be compensated.

That has been done up to this point under a provision in the contract that in an emergency a subscriber obtains the services of other than a participating physician, which is all that any service contract can offer—and please keep that point in mind. No service contract can be offered unless you have behind it the agreement of a sufficient number of physicians to service that contract, otherwise you are not selling the transaction to the public.

So, as a practical matter, and in order to carry out the broad purposes of the Act, the term "in an emergency" has been liberally construed throughout to provide or in effect to be considered as authorizing and justifying the payment of the same fee to a physician who by his own choice does not participate under the plan.

May I illustrate the reason for the statement in this substitute resolution that complex problems exist. If this body directs Michigan Medical Service to so revise its contract as to make no distinction between participating and nonparticipating physicians, it would practically automatically write itself out of business. This organization cannot lawfully and honorably contract with members of the public to assure them of the services of a nonparticipating physician, because the nonparticipating physician is not obliged to render such service at such fee.

If by ill-advised or hasty action (and again let me assure you I am not concerned with the merits of the internal controversy in this matter) Michigan Medical Service were directed to rewrite its contract to eliminate any distinction (and I am not talking about class distinction but about the legal distinction that is required to be there between participating and nonparticipating doctors of medicine), you would be directing it to write a contract which it could not possibly fulfill and which no honorable person could enter into.

Practical means have been found in the past to recognize an obligation to the public under this contract which is not a legal obligation, and I am sincerely hopeful that if you permit this Committee to continue a study, and if we can possibly find ways and means within the law—within the letter and within the spirit of the law—to do what I know a great number of you gentlemen want to do, I shall sincerely devote every effort that I can make to helping to solve that problem; but I sincerely hope that you will not, because of that internal problem, take an action that will defeat not only your own purpose but the basic purpose of Blue Shield.

I shall be very glad to answer any specific questions to the best of my ability.

E. G. M. KRIEG, M.D.: Mr. Chairman, a question of order. I should like to have Mr. Dodd read that portion of the enabling act that has to do with the payment of fees to the doctor. I think it is Section 3, if I am not mistaken.

MR. DODD: I know of no provision in the enabling act that pertains to the payment of fees.

E. G. M. KRIEG, M.D.: Will you please read Section 3, which I think has to do with that?

MR. DODD: I think this is probably the one you are referring to: "No contract by or on behalf of any non-

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profit medical care corporation shall provide for the payment of any cash or other material benefit by that corporation to the subscriber or his estate on account of death, illness or injury."

Is that the one to which you refer?

E. G. M. KRIEG, M.D.: Yes; thank you.

THE SPEAKER: I am sorry, Mr. Dodd, but I shall have to interrupt you. We have two minutes left.

R. F. FENTON, M.D.: I would like to move that we stop the clock.

THE SPEAKER: In effect, does that mean that we continue?

[Cries of "Yes!"]

THE SPEAKER [continuing]: All those in favor of continuing this presentation, say "aye"; opposed, "no." The "ayes" have it. We will continue with Mr. Dodd's remarks.

MR. DODD: I have read the Section the gentleman asked for. Are there any further questions?

I might say that I discussed that particular Section of the enabling act at some length in the Committee hearing in this room yesterday, and again I suggest that the very discussion of the Act and of that particular Section of the Act upon which I expressed my opinion yesterday illustrates the complexity of some of the problems that complicate this method of payment.

G. S. FISHER, M.D.: May I ask what it means in relation to Dr. Krieg's question? Secondly, I would like an answer to my question as to whether carriers can waive assignments. I am merely asking a question as far as the sense of the first part of this resolution is concerned, and whether it means anything.

MR. DODD: I shall answer your second question first. An assignment in proper form, I think, could not be disregarded by the carrier unless there were a provision to it contrary in the contract.

To answer your first question as to what the Section means that was just read, I can only give you my opinion, and yesterday when I expressed the same opinion in Committee I had at least one or two members of your profession who disagreed with my opinion.

In my opinion, the provision of the enabling act that has just been read, and which refers to the prohibition of payments of cash benefits by Blue Shield on account of death, illness or injury, does not prevent reimbursement by Blue Shield of the medical expense incurred by its subscriber as a result of illness, injury or death.

You may say that that is a fine distinction. It is one, gentlemen, that has been recognized by many courts in this country. In short, the prohibition, as I understand it, and as I believe it to have been intended in the enabling act, was to prevent Blue Shield or a medical service corporation from engaging in the health or accident or life insurance business.

In other words, the prohibition, in my judgment and in my opinion (and that may not be a unanimous opinion, but it is supported by many court decisions), is that it was intended to be a prohibition against this type of service organization entering into the health, accident or life insurance field.

The distinction that exists and which enables Blue Shield or a service corporation to make payments direct to its subscriber, under certain circumstances, is the distinction between a benefit that is accorded to the policyholder by reason of illness, injury or death, and the reimbursement to him of the expense (the cost) of securing medical attention, because that is what this contract insures to your subscriber. It gives to him, at the expense of Michigan Medical Service, medical services; and if he pays for that service out of his own pocket, the reimbursement of that cost is merely the thing that you have agreed to give him in the first place, namely, medical service. I hope that distinction is understandable.

J. B. BLODGETT, M.D.: I would like to ask a question.

Mr. Dodd, if this matter is so complex—this matter of the method of payment—why is it desirable that this change be made in the matter of payment before the matter has been studied? That is, the change in the method of payment is proposed. It has been going on for the last seventeen years. We need to study the matter. Why should it be made before we study the matter?

MR. DODD: I want to stress no opinion on the merits of the situation, but purely from the legal standpoint I am concerned with this point only:

Since the question has been raised, and since the question of participation or nonparticipation may be placed on that basis, I am concerned that the degree of participation necessary to the lawful continuance of these contracts may be affected by that question. That is the only extent to which, from a legal standpoint, I am concerned in this matter.

J. A. WITTER, M.D.: I would like to ask Mr. Dodd if he doesn't honestly feel that the body which drew up the enabling act, had they intended that the word "benefit" would be so crucial, would rather have said in so many words that they meant for Michigan Medical Service not to participate in life, health, accident insurance, and so on.

MR. DODD: Dr. Witter, it would take me probably an hour. I have in my file here a rather complete brief that would answer that question, and I can tell you very briefly that the very converse of this thing is actually incorporated in the insurance acts under which insurance corporations are incorporated in this State.

Unless the interpretation that I here give to the benefits under this Act was the intention of the Legislature, then the intention of the Legislature in relation to insurance statutes, in a different sense, would be absolutely inconsistent with it.

Again, I don't want to beg the question nor seek to evade it; but in this very situation that you raise, Dr. Witter, are involved some of the most complex questions of statutory interpretation that you could find. Again, add to what I am saying here that perhaps my opinion here is not worthy of solid weight; but any hasty change in this contract, in the light of those very real questions, I should very much dislike to see done, because they are real, let me assure you. Whether I have the correct answer to them or not, they should be thoroughly explored.

J. A. KASPER, M.D.: There are certain parts of this resolution that refer to complexities. Would Mr. Dodd care to explain what some of those complexities are?

[Cries of "No!"]

MR. DODD: I have been doing my best to do just that thing, sir.

J. A. KASPER, M.D.: After all, we are speaking about complexities. We are talking in circles. There are complexities. What are the complexities?

MR. DODD: Dr. Witter just raised a very pertinent question that illustrates one of the great complexities of this thing.

You know, the enabling Act under which this organization is organized in the first place requires, by its terms, that every licensed doctor of medicine shall be entitled to enrollment in it. What a court might say with respect to the implications that arise under that permissive section, I don't know.

Where every doctor of medicine is entitled as a matter of right to enroll, and where the Act provides that he shall enroll, query: If he does not enroll, is there by implication a prohibition against his payment? I don't say there is; I say there is the question, and it is a nice question.

LOUIS JAFFE, M.D.: I would like to ask for clarification of one of the points. Mr. Dodd has repeatedly stated that this change in the contract might endanger

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the entire contract. This particular phase that we are talking about is not a change. This phase exists now.

The only implication I can draw from this—and I would like to comment on this briefly—is that either it will be ruled that a higher percentage of doctors must participate than participate now, or the other implication is that he is seriously concerned that there will be very few participating as this thing stands if the payments are allowed to nonparticipating doctors.

If that is not the conclusion or implication, I would like to know it.

THE SPEAKER: The Speaker is going to rule that we allow Mr. Dodd to answer the question, and I believe it would be reasonable to suppose that this matter has now been gone into sufficiently for you to vote following his comment.

MR. DODD: The gentleman who asked the last question raises a very pertinent point that is a part of the complexity of this situation.

If you officially (by reason of ordering a change in this contract or otherwise) take the position that payments must be made that, if carried out, would affect participation in this contract, then necessarily you are raising questions that will endanger the validity of this contract because of the absolute necessity of its underwriters of being able to furnish that degree of participation which will prevent its being a fraud upon the public.

E. J. TALLANT, M.D.: A point of order, Mr. Speaker.

THE SPEAKER: What is your point of order?

E. J. TALLANT, M.D.: I would like to make an amendment to the motion.

I move that the phrase, "Medical Care Insurance Committee of the Michigan State Medical Society," be amended to read, "a special committee of the House of Delegates of the Michigan State Medical Society."

THE SPEAKER: Is that in the second "Resolved"?

E. J. TALLANT, M.D.: Yes, sir.

THE SPEAKER: About the sixth line?

E. J. TALLANT, M.D.: That is correct. I would like it to read, "... a special committee of the House of Delegates of the Michigan State Medical Society."

THE SPEAKER: You have heard the motion. Is there a second?

V. M. ZERBI, M.D.: I second the motion.

I would like to start the discussion on the amendment by requesting an explanation for the reason for asking for a new committee, when we have a Committee that has thoroughly studied the question for a very long time.

THE SPEAKER: Is there further discussion? All those in favor of the amendment, say "aye"; opposed, "no." The motion is lost.

Is there further discussion of the resolution presented by the Reference Committee?

V. M. ZERBI, M.D.: Up to now, the only delegates who have commented on the resolution have been those who are opposed to it. I regret that I lack the power to convey my feelings in the way I would like to do, but this afternoon the Executive Vice President of Blue Shield expressed certain truths in a committee hearing which I wish the whole House could have had the benefit of hearing, because I feel he hit the nail so squarely on the head that much of this debate here tonight would have been eliminated if all the members of the House had had an opportunity to hear him.

K. T. MCGUNEGLE, M.D.: I doubt very much whether we are looking for information. I therefore move the question.

[Cries of "Support!"]

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THE SPEAKER: All those in favor of the recommendation of this Reference Committee that this substitute resolution be approved, say "aye"; opposed, "no." The motion is carried.

M. L. LICHTER, M.D.: The Reference Committee next considered four resolutions which pertain to the same subject matter.

XX—13(g). REPEAL OF STATEMENT OF PRINCIPLES COVERING BLUE SHIELD CONTRACTS (BATES). REPEAL OF STATEMENT OF PRINCIPLES COVERING BLUE SHIELD CONTRACTS (RICE). TERMINATION OF SALE OF BLUE SHIELD'S M-75 CONTRACT (MILLER). SUSPENSION OF SALE OF BLUE SHIELD'S M-75 CONTRACT (POWER)

THE SPEAKER: If there is no objection I will ask Dr. Lichter to discuss these four together.

M. L. LICHTER, M.D.: The Reference Committee carefully considered each of these resolutions, and recommends that no action be taken on them. I so move.

R. W. TEED, M.D.: Second the motion.

R. R. COOPER, M.D.: I would like to move a substitute resolution.

"Whereas, a significant degree of dissatisfaction among doctors of medicine has arisen since the M-75 contract has been made public, and

"Whereas, the major features of M-75 which arouse controversy concern:

"1. The method of payment of professional fees to nonparticipating physicians.

"2. The new income limit for service benefits.

"3. The uniform scale of fees which ignores the value of unusual training and experience.

"4. The change in method of determining subscriber income for contract purposes.

"5. The extension of benefits to include laboratory, diagnostic and therapeutic radiologic procedures without adequate control of proper usage.

"6. The fees paid for individual service; and

"Whereas, the M-75 contract is a reflection of the commitments made by The Council of the Michigan State Medical Society in its 'principles to be embodied in insurance contracts' under authority granted by vote of the House of Delegates, September, 1957, and

"Whereas, it is firmly believed that the interests of the public and the medical profession will suffer severely unless the present controversies are mediated; therefore, be it

"RESOLVED: That the House of Delegates request the Michigan Medical Service while honoring present contracts to withhold the issuance of any more M-75 contracts beyond those already offered until further study is carried on; and be it further

"RESOLVED: That the House of Delegates create a special committee to re-examine forthwith the statement of principles governing insurance contracts, and the M-75 contract itself in the light of the known major points at issue; and be it further

"RESOLVED: That the special committee report in full its deliberations and recommendations for change; and be it further

"RESOLVED: That the Speaker of the House of Delegates be instructed to call a special session of the House of Delegates in March of 1959 or before, if feasible, to hear a full report from the special committee on its re-examination and recommendations for change in the aforementioned principles and contract."

THE SPEAKER: Dr. Cooper, may I ask in what respect your resolution differs from the four resolutions that are being considered at this time?

R. R. COOPER, M.D.: I think mainly, Mr. Speaker, in that this does not ask us to rescind, retract or expunge anything that has been done. That is the first point.

In the No. 3 and No. 10 resolutions the first "Re-

solved" has been omitted completely. The second "Resolved" has been modified so that it would not affect any contract that has been sold; those would be honored. It does not affect in any way any legitimate offering for sale that has been made. Those offers have been taken up to form a contract, as I understand it, and we should not go back on them in any way.

We are not asking for repudiation of the principles passed last year; we are just saying that a controversy exists. I think none of us can deny that while obviously we are in the minority, we have a right to feel differently, and I think that right is worthy of consideration by the Committee in democratic process.

We are trying to bring this up in a manner that will not change anything that has been done, and that will not make us lose face in our commitment, but that will still give us an opportunity to discuss some of the points that are making some of the doctors in the southeastern counties unhappy.

THE SPEAKER: Thank you, Dr. Cooper. This is offered as a substitute resolution to the substitute offered by the Reference Committee to the four resolutions that were introduced in the House.

D. N. SWEENEY, M.D.: I second Dr. Cooper's substitute resolution.

THE SPEAKER: Is there discussion of this substitute resolution?

D. J. FRYFOGLE, M.D.: There is one thing in this that I would like to see come to pass, and that is that a new committee be created to study the grievances of the men who are so distraught by what is happening to them. I don't mean to upset the well-laid plans of those who are directing the project, but I think a committee of the House would be good.

As delegates perhaps we have been remiss in not knowing. If it were a committee of the House, made up of delegates to report to the House of Delegates, not to The Council, then I think I would have a much better chance of understanding what the situation is, and thus informing my constituents, who want to know very badly what the situation is.

M. L. LICHTER, M.D.: There is in the Principles a considerable amount of opportunity for discussion of any differences in points of view with the action this House took last year. In the Principles there is spelled out, first, the formation of a committee—the Medical Care Insurance Committee—with its responsibilities carefully delineated therein. Second, there is spelled out the existence of medical care insurance committees in the councilor districts.

The modus operandi of these committees has been carefully developed and considered by The Council of this Society, and approved by them. This provides something that was lacking in the past, namely, the opportunity for every doctor who is a member of this Society to make known his point of view and to receive an answer to anything that troubles him in connection with medical care insurance.

His point of view in this mechanism can be carried first to the councilor district medical care insurance committee, next to the Medical Care Insurance Committee, then to The Council of the Michigan State Medical Society, and finally to this House of Delegates.

In addition, the Permanent Advisory Committee on Fees of this House of Delegates must examine all matters pertaining to fees, co-ordinating and integrating them before they can be finally adopted. In addition, at its September 1958 meeting The Council approved the method by which this Society will develop its own relative value scale. This will not be done by taking existing scales and simply modifying them. This will be done by conducting a survey in which every doctor of medicine belonging to this State Society will be able to express his ideas.

In addition, representatives from every specialty

society in this State and the Michigan Academy of General Practice will be requested to send a representative to the committee which is to be charged with this responsibility, with the stipulation that this representative be chairman of that society's fee committee, so that with his own group he can take up matters of relative values and fees and can transmit those wishes, desires and decisions to the committee so that they may then be properly incorporated into a relative value schedule that will represent all the doctors of Michigan.

I feel that the intent of Dr. Cooper's substitute resolution has already been accomplished, and that any further effort to establish a study committee or study committees would be redundant.

F. L. TROOST, M.D. [Ingham]: Earlier this evening Dr. Leader was greatly concerned that I had been silent about this matter. I will now relieve him.

I see glaring weaknesses in Dr. Cooper's substitute resolution. In it he states that there is no intent to disturb the contracts already sold or offered.

Can we, as a group, sell the Ford Motor Company and possibly General Motors and Chrysler people those contracts and then smaller employers come along and say, "Our people want to come in" and we would have to say "No"?

Dr. Cooper, if he wanted to do that, should have set a deadline on such things.

One year ago, as you all know, we promised a package, and we promised to deliver it now. Two days ago I read in the paper about the death of Robert Service, the poet. A line from his "Tales of the Yukon" comes to mind, and I think we should bear it in mind. Robert Service said: "A promise made is a debt unpaid." [Applause]

R. H. PINO, M.D. [Wayne]: I want to ask a question regarding Dr. Cooper's motion. If we were to delay (as he has asked us to do) accepting contracts that have been signed, wouldn't it cut out General Motors and Chrysler entirely? What are they going to do in the meantime? Or, what are we going to do? Is someone else going to take up that insurance? What would it do to us if we can't offer it to all industry?

R. R. COOPER, M.D.: I admit there are glaring weaknesses in the resolution. I think there are weaknesses in others, too.

In answer to Dr. Troost's question, I might say it is my understanding that Mr. Ketcham said there were three times when Blue Shield did not offer their contracts for sale, and then they were resumed again. So, we are not without precedent.

It would not affect the sales to General Motors and Chrysler, as I understand it, because they have been offered, and it is specifically stated in there that any offer made would be honored just as any one that had been sold.

I realize that all these things were nicely laid out by Dr. Lichter, and I couldn't repeat them if I wanted to. The means are there for individuals to carry out their grievances, which I know legally would not go to the Supreme Court first, but the House of Delegates is the final authority, and I think we can by-pass those on some of the grievances that have been so many times verbalized.

I think in fairness to perhaps one-third of the number of members of this House who at least have signified their interest in this type of thing, it is worth consideration.

I don't know poetry, but I do remember a phrase, "They listen and hear not." I am afraid a little bit that if all our talk yesterday afternoon and today results in the recommendation that there should be nothing done about it, and no action taken, that phrase might apply slightly.

I realize the position of the Reference Committee. I think they are doing a fine job; but I still would like to see consideration given to the complaints that we have voiced.

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THE SPEAKER: The question is called for. I don't want to interrupt anything; but, as I said earlier, this whole matter has been given plenty of time. Dr. Cooper has offered a substitute resolution. Are you ready to vote on his substitute resolution? All those in favor of Dr. Cooper's substitute resolution, say "aye"; opposed, "no." The motion is lost.

R. R. COOPER, M.D.: I request a division.

THE SPEAKER: Do you wish a hand vote?

R. R. COOPER, M.D.: A standing vote.

THE SPEAKER: The Chair will rule that your motion is lost. Do you still want a standing vote?

R. R. COOPER, M.D.: I have requested a division, sir, which I believe is in order.

THE SPEAKER: All those in favor of Dr. Cooper's resolution, please stand. All those opposed, please stand. The vote is 32 for the resolution and 65 against. The motion is lost. There are some who did not vote.

Now, we shall return to the substitute resolution presented by the Reference Committee, which is that there be no action taken on the four resolutions. Is there discussion of this motion?

J. D. FRYFOGLE, M.D.: I hesitate to go back with no action taken on a subject that is very important to the very people who are going to be the front-line leaders in the execution of the services offered by M-75.

It is true throughout the State that we do have different kinds of work; but sitting in Wayne County and in the counties closely allied with the same type of service that is put out in Wayne County, these are the men for whom the greatest amount of service for M-75 is going to be given. I hate to go back to them and say that no action is to be taken on their polled opinion.

Therefore, because we delegates must answer directly to the people who are servicing this contract, I move, Mr. Speaker, that information be given quarterly to every delegate as to the progress made by the already existing mechanisms for review and inspection, as Dr. Lichter has so nicely outlined.

THE SPEAKER: Dr. Fryfogle, I will rule that your motion is out of order at this moment because we already have a motion on the floor.

J. D. FRYFOGLE, M.D.: Can't I amend it?

THE SPEAKER: You may make your motion later. I say it is out of order only in context.

J. D. FRYFOGLE, M.D.: May I ask the Parliamentarian.

THE SPEAKER: If you wish to make an amendment to this resolution, or in some way change it or offer a substitute, you may; but I don't think as it stands now it is in order. My point is that your objection is to the recommendation of the Reference Committee that no action be taken. I don't think you have offered a proper motion covering what you want done.

J. D. FRYFOGLE, M.D.: I don't want "no action" to be voted. May I make this as an amendment, then?

THE SPEAKER: You can make a substitute motion if you wish.

J. D. FRYFOGLE, M.D.: Then may I reword it and make it as a substitute motion?

THE SPEAKER: No; you have got to do more than you did.

G. C. WILSON, M.D.: I believe Dr. Fryfogle's question was how to face his constituents. The "Resolved" in this resolution—the one which does not involve the

integrity of the House of Delegates—falls into two categories. The main one is the action of payment for nonparticipating physicians. That has already been handled pretty adequately in resolution No. 8 and has already been acted upon here. All the other "Resolveds" have been adequately acted on, and he can answer his constituents by saying that they could not be answered because of the integrity of the House of Delegates and the Michigan State Medical Society.

J. W. RICE, M.D.: I still do not see how concretely we are going to reconcile the differences of the members of the State Medical Society—and there definitely are differences. There are bitter differences. I don't see how this committee that Dr. Lichter talks about, that would examine the fees, is going to do this unless we understand exactly at what time they are going to meet—which should be as soon as possible.

Could Dr. Lichter explain just a little more fully how these differences are going to be reconciled, and when an attempt will be made to do it?

S. L. LOUPEE, M.D.: I call for a point of order. There is a motion before the House. All this discussion is inappropriate; it is not proper. The time to vote is here. I would like to vote.

THE SPEAKER: I have already stated that I feel we must now decide on the recommendation of the Reference Committee about this matter of no action. If you have a substitute motion that you wish to present, present it; but all this other stuff is immaterial to the question at the moment.

The question is called for. The motion is to sustain the action of the Reference Committee, that no action on the four resolutions that I mentioned be taken. All those in favor, say "aye"; opposed, "no." We will have a standing vote.

All those in favor of the recommendation that no action be taken on these four resolutions, please stand. All those opposed, please stand. The vote is 66 to 35. The motion is carried.

XV—39. MOTION: INFORMATION TO DELEGATES QUARTERLY ON PROGRESS IN BLUE SHIELD'S PROGRAMS

J. D. FRYFOGLE, M.D.: Now I propose that the delegates be informed quarterly of the progress made by the mechanism set up and in operation for the instrumentation of the program.

Is that an adequate motion?

THE SPEAKER: I think you should include who will inform the delegates. Should it be The Council?

J. D. FRYFOGLE, M.D.: The Council is actually the only working body in the interim, isn't it? Yes; then I will add that it come from The Council.

D. N. SWEENEY, M.D.: Second the motion.

S. L. LOUPEE, M.D.: This motion is practically impossible of implementation. It is going to require a lot of work which will get no results. There has been no explanation as to what was expected to be accomplished by such a resolution and such a demand on the part of this House by the men in executive authority. I am opposed to the motion.

J. W. RICE, M.D.: May I ask Dr. Lichter right now how he anticipates reconciling the differences of the various members of this State Society?

M. L. LICHTER, M.D.: I can only say that the mechanism which I described earlier is for the purpose of permitting consideration of each and every viewpoint that may be presented. Whether this is satisfactory to you, sir, I don't know, but it has been the intent that every doctor in this Society has an opportunity to be

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heard and answered and to receive serious consideration of his viewpoint.

I would point out that we represent an entire State Medical Society.

J. W. RICE, M.D.: Who is to initiate the action?

M. L. LICHTER, M.D.: Each physician member of this Society will have the right to initiate action. There are means to be established (they have been approved) to see that none of these initiated things are lost sight of, because there is to be engaged a secretary to the Medical Care Insurance Committee who will also serve as the secretary of the medical care insurance committees in the councilor districts. This was necessary because we physicians, preoccupied with so many other things, might put off getting around to giving consideration to the requests and points of view of our fellow physicians. Therefore, the method has been devised to be darned sure that none of these things is lost, and that every man will have an opportunity to be heard and will be answered.

J. W. RICE, M.D.: To preserve unanimity of this State Society I think it is essential that this be done.

I would like to amend Dr. Fryfogle's motion that the Councilor from each district impart to the delegates who serve in his district at periodic intervals specified in the original motion. That the delegates meet with the councilor at the specified intervals, and that the delegates in that district go back to their constituent county societies and explain what has happened.

THE SPEAKER: This is in the form of an amendment to Dr. Fryfogle's motion.

J. A. KASPER, M.D.: I second that.

THE SPEAKER: Is there any discussion on the amendment? Are you ready for the question? All those in favor, say "aye"; opposed, "no." The motion is carried.

Dr. Fryfogle's motion is now before you as amended. It is to the effect that the delegates of this House be informed quarterly as to the progress that is being made in relation to the new—how did you say it?

J. D. FRYFOGLE, M.D.: I ran afoul there, too, I suppose it is in relation to what is being done to solidify the Society.

[Cries of "No!"]

[Dr. Fryfogle's motion was read.]

J. D. FRYFOGLE, M.D.: May I make that as a motion? I so move.

THE SPEAKER: Before we vote on this, would you consider that the amendment that it be handled by the councilors would take care of the mechanism?

J. D. FRYFOGLE, M.D.: The House has already said that that is the method by which they want the information transmitted. I have no objection, as long as each delegate is informed.

THE SPEAKER: Okay; I think we are clear. The motion is that the delegates shall be informed quarterly of the progress made in relation to the mechanism that is set up to implement—somebody else restate it, will you?

W. W. BABCOCK, M.D.: We are all tired, but I would like to point out that Dr. Fryfogle's motion was that letters (that was his intent) be sent to the delegates. If the amendment is followed out, in some of our councilor districts the doctors are many, many miles apart, and it would be almost impossible to get the various delegates together from a practical standpoint and give them information quarterly.

Because of that feature, I also feel that Dr. Fryfogle's motion should be passed so that the delegates, if the councilor were unable to meet with them, could be informed by mail.

THE SPEAKER: I believe this motion should be much more explicit than it is.

G. S. FISHER, M.D.: Soon after the meeting of the House of Delegates, in many dining rooms around hospitals in Detroit, at least, and in waiting rooms and

other places, groups of doctors were talking at length about participation and nonparticipation, about fee schedules, about equities and inequities. What is amazing to me is that, as far as I have been able to determine, none of this ever filtered up. It is important as well that these things filter up as well as down.

It seems to me that somehow or other many of us have been amiss in not informing others, by letters to our councilors or what-have-you, of our own impressions of this situation. Maybe we are amiss. I am sure from now on we are not going to be that way.

THE SPEAKER: The only motion that I have in mind at the present moment is "that the delegates be informed quarterly through The Council of the progress made in relation to the mechanism set up for the instrumentation of the program."

W. W. BABCOCK, M.D.: That was an amendment to Dr. Fryfogle's motion.

THE SPEAKER: The amendment was that it be done through the councilors.

W. W. BABCOCK, M.D.: You're right.

E. G. M. KRIEG, M.D.: May I clarify this? I think it could be done easily through the Secretary's Letter which is sent out every month, instead of in a separate communication.

THE SPEAKER: That Letter goes to everybody. What seems to be important here is that the delegates be informed. The question is called for. All those in favor, say "aye"; opposed, "no." The motion is carried.

XX—13(h). TWO RESOLUTIONS: TWO-THIRDS MEMBERSHIP VOTE SHALL CONSTITUTE FAVORABLE REFERENDUM; AND REAFFIRMING STATEMENT OF PRINCIPLES OF 1957 HOUSE OF DELEGATES

M. L. LICHTER, M.D.: There are a few more resolutions which were considered by the Reference Committee. If I may, I would like to read the "Resolved" in resolution No. 33:

"RESOLVED: That the agreements on principle made by the 1957 House of Delegates be reaffirmed, and that any changes in the action taken upon those agreements on principle be made within the framework of representative government as established."

The Reference Committee carefully considered this resolution and also resolution No. 1, and recommends no action. I so move.

R. W. TEED, M.D.: Support.

THE SPEAKER: The motion is that no action be taken on resolutions No. 1 and No. 33. Is there discussion?

[The motion was put to a vote and was carried unanimously.]

M. L. LICHTER, M.D.: The Reference Committee wishes to thank the members of the House for their patience with us. We apologize for having been the instrument which kept you so late.

I now move the acceptance of the report of the Reference Committee on Medical Service and Prepayment Insurance as a whole.

[The motion was severally seconded, was put to a vote and was carried unanimously.]

THE SPEAKER: I would like to announce that the stenographic staff is compiling a résumé of all actions taken by this House on the resolutions introduced. It is very difficult to predict at what time tomorrow the copies will be available, but they will be available to you in the press room of this hotel, Room 500.

XXIII. ADJOURNMENT

D. N. SWEENEY, M.D.: I move we adjourn.

[The motion was severally seconded, was put to a vote, and was carried unanimously.]

[The meeting adjourned sine die at 1 a.m.]

